formerly Merchandising Week
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MAY 1980

Merchandising

PUBLISHED FOR AN INDUSTRY WITH MORE THAN TODAY ON ITS MIND

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OUTLOOK 1980

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Statistical & Marketing Forecast

GOURMET-What's Cooking?

Formerly Merchandising Week

Merchandising

FOR OVER 60,000 READERS
52,000 RETAILERS

PUBLISHED FOR AN INDUSTRY WITH MORE THAN TODAY ON ITS MIND

May 1980

Outlook 1980

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Merchandising's sixth annual Statistical & Marketing Forecast—a basic tool for retailers of major appliances; home, auto and personal electronics; and electric and non-electric housewares—is designed to help chart merchandising courses for the second half.

Statistics are based on manufacturer projections, compiled by Selma Book, research associate. Accompanying analyses are by Ron Schneiderman, Jack Blood and Lois A. Panosh.

GOURMET
...what's cooking

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Gourmet, as a merchandising philosophy, like love, is here to stay. Defining the concept, Lois A. Panosh talked with manufacturers and suppliers. Assisting her was Nava Benjamini.

How gourmet housewares and foods are being sold together is related in Joyce Jarcho's account of a visit to Fay & Allen's Foodworks on Manhattan's upper east side.

Ron Schneiderman discovered The Perfect Pan in San Diego. Talking with George Munger, owner, the evolution from the desire to open a cooking school to opening retail shops and restaurants unfolds.

Trendings

- Audio dealers struggling to cope with consumer credit crunch.
- Retailers working harder to keep VCR, tv sales on par with '79.
- FCC ruling on telephone marketing seen boon to retailers and independent suppliers.
- Say gourmet "really cooking" on all four burners at smaller specialty shops.
- "Entertaining work-savers" and Mother's Day are promo pegs for buyers of electrics.
- Energy labeling expected to give May appliance sales extra boost.

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Store Operations

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"The availability of retail credit has been significantly restricted in the last six months, and I think it's going to become even tighter," warns Melvin Brown, president of ITT Diversified Credit Corp. He sees smaller dealers as being especially affected.

In her initial column for *Merchandising*, Stephanie Shern, a principal at Arthur Young & Co., advises retailers on how to deal with the Fed's new Consumer Credit Restraint Program.

Retail Opinion File

30

With the majority of small dealers dependent on consumer credit for at least a portion of their sales, they say they're beginning to feel the pinch of higher interest rates and curbs on their customers' "plastic" money, according to this month's Retail Opinion File. Many are pushing cash sales, most are having collection problems.

Prerecorded Videocassette Report

"The largest introduction effort ever undertaken." That's what's in store for RCA's SelectaVision videodisc player. All media will be used to promote the product.

"Superman" and "The Godfather" repeat as the No. 1 and 2 best sellers in *Merchandising*'s Top 50 prerecorded videocassette chart this month.

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Happenings

- Sony to unveil full range of audio equipment at the June CES....................63
- Steve Smith named CEO of Sunbeam Appliance Co., Mehra to head Hanson Scale Div....................63
- U.S. Pioneer to roll out optical videodisc player in June; Philips groups sign cross-licensing pact with DVA on another optical system....................64
- John Bissell elected NHMA president....................67
- NATM members hear buying group topped $1 billion sales mark in '79, expect to improve market shares despite business slowdown....................68

GAMA

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The dominance of electric major appliances over their gas-fueled counterparts is beginning to diminish, attendees at the Gas Appliance Manufacturers Assn.'s convention were told. Harry Payntor, GAMA president, said $3 million will be spent this year to promote the advantages of gas appliances. The American Gas Assn., too, is beefing up its consumer advertising to provide backup for both manufacturers and dealers of gas appliances.

Coming in June

★ Overviews of second half from key audio, video, personal electronics and prerecorded videotape suppliers.

★ Electronics Product Showcase

★ Stephanie Shern's "Minding the Store" column to offer retailers tips on how to control advertising costs.

From the Capital

Administration moves to squeeze consumer credit is a big issue facing hard goods retailers; Congressmen warn against abandoning consumer credit protection such as Truth-in-Lending laws. Justice Dept. wants to step up attacks on suppliers pressuring dealers to sell at list price.

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Merchandising
MAY 1980

OUTLOOK
1980

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AIR TREATMENT

	1980	1979	% of Change
Total	4,415	4,680	-6
Air Cleaners (total)	227	247	-8
Portable Room Type	54	56	-4
Central & Duct Mounted	173	191	-10
Room			
Air Conditioners (total)	3,498	3,749	-7
By Size			
Under 7,000 Btu	1,081	1,162	-7
7,000-10,999 Btu	1,088	1,162	-6
11,000-19,999 Btu	982	1,050	-6
20,000 Btu & Over	347	375	-8
By EER Rating			
High (7.5 & Over)	1,350	1,312	+3
Low (Under 7.5)	2,148	2,437	-12
Dehumidifirs	690	684	+1

Figures shown less last three 000's

Air Treatment

The minuses outweigh the plusses, so far as the outlook for air treatment products is concerned. An overall 6% decline in unit sales, to 4,415,000 is forecast.

Negative factors include a weakening economy, as evidenced by the inflationary squeeze on disposable consumer income, higher product costs and, in the case of room air conditioners, a heavier-than-normal carryover stemming from last year's disappointing weather and sales.

Room air conditioner volume is projected to slide 7% to 3,498,000 units after a similar decline last year.

Contributing to the pessimistic picture for room air are the government-mandated requirements for more efficient units which add substantially to unit purchase prices.

Indeed, high efficiency units, those rated at 7.5 EER or above, are expected to increase their market share this year on a 3% growth to 1,350,000; while lesser-rated units drop 12% to 2,148,000.

Gains in the middle

Size-wise, the middle area is seen gaining some market share at the expense of the "under 7,000 Btu" and "over 20,000 Btu" categories, both of which are expected to show bigger declines.

Electronic air cleaners are also expected to drop off in sales, according to most sources, with the biggest decline coming in central or duct-mounted units, which are linked to the softening builder market.

One bright spot in the air treatment prospects is the dehumidifier, whose sales have been running contrary to industry trends the past couple of years and which are expected to rise another notch to a record 690,000 units thanks to heavy rainfall in many areas. •

COOKING

	1980	1979	% of Change
Total	7,769	7,612	+2
Electric Ranges (total)	2,896	3,003	-4
Free-Standing (total)	2,164	2,244	-4
Standard	2,030	2,093	-3
Smoothtop	134	151	-11
Built-In (total)	732	759	-4
Standard	669	690	-3
Smoothtop	63	69	-9
By Cleaning System:			
Self-Cleaning	1,157	1,171	-1
Continuous Clean	616	661	-7
All Other	1,122	1,171	-4
Gas Ranges (total)	1,773	1,794	-1
Free-Standing & Set-In	1,518	1,538	-1
High Oven	127	128	-1
Built-In	128	128	N.C.
By Cleaning System			
Self-Cleaning	218	215	+1
Continuous Clean	618	646	-4
All Other	937	933	N.C.
Microwave Ovens (total)	3,100	2,815	+10
Countertop	2,789	2,535	+10
Combinations (total)	311	280	+11
Electric Double Oven	231	206	+12
Gas Double Oven	31	27	+13
Single Cavity	49	47	+5

Figures shown less last three 000's

Cooking

The sales "star" in the cooking appliance and general white goods story this year looks like the microwave oven.

Another in an unending series of record sales years is in store in 1980 for this product.

A 10% sales increase to 3.1 million units projected for microwaves is the principle element in the modest 2% gain to 7,769,000 units forecast for cooking appliances.

Included in the microwave figures are 2,789,000 countertops, and 311,000 combination units, a category showing a 11% projected gain.

The preponderance of countertop microwave ovens sales are still to first-time buyers. The combo sales growth, whether it be electric or gas ovens, or a single cavity "micro-range," however reflect a growing replacement market as well as to homes where counter space is limited.

Replacements bolster range sales

The replacement market is the main reason that range sales projections aren't even lower, given the plummeting new home market.

Electric range volume is expected to drop 4% to 2,896,000, being more adversely affected by the slump in builder sales, while gas ranges are expected to slip only 1 percentage point to 1,773,000.

Gas range sales, after losing their "parity" position vis-a-vis electric in the early '70s, have also bettered their relative position because of improved fuel availability, renewed promotional effort, and the elimination of the standing pilot—which offers a greater energy-saving contrast over older models that can be demonstrated in electrics.

The energy factor

Energy saving is undoubtedly a factor in the microwave sales growth (and conceivably perceived as an adverse one with regards to the decline in smoothtop sales).

A growing market share of the microwaves, combinations, self-cleaners, convection units and built-in ventilation systems, as well as energy-saving features, provide buoyancy to cooking appliances, while boosting dollar sales. •

CLEANUP

	1980	1979	% of Change
Total	6,494	7,097	-9
Dishwashers (total)	3,190	3,488	-9
Portable	466	504	-8
Undercounter	2,724	2,984	-9
Food Waste Disposers	3,024	3,316	-9
Trash Compactors	280	293	-4

Figures shown less last three 000's

Cleanup

A slowdown in sales, along with a slackening in the economy, is projected for the cleanup appliance group.

The overall 9% decline—and similar declines in dishwashers and food waste disposers—forecast by the industry, reflects not only the softening economy in general, but, in particular, the sharp downturn in housing starts and completions.

Housing starts, on which continuing inflation and high mortgage rates have impacted adversely, are now expected to fall off 20% from a year ago, even more than the 15% decline projected earlier.

The projected drop in dishwasher and disposer sales to 3,190,000 and 3,024,000 units, respectively, however, will not be as great.

Remodeling and replacement help

Replacement sales and increased kitchen remodeling activity, as many consumers elect that option to a home purchase, will take up some of the sales slack. Stimulating replacement sales for dishwashers, too, will be new models from suppliers geared to energy savings, features that labeling regulations and other publicity will alert consumers to.

Another ameliorating factor is the generally higher price tags that upgraded features are commanding.

Less affected by the housing slowdown are trash compactors, whose sales this year are forecast to dip only 4% to 280,000 units. Replacement sales are still a negligible factor in this relatively new product area, but its low saturation continues to offer sales opportunities.

LAUNDRY

	1980	1979	% of Change
Total	8,373	8,516	-2
Dryers (total)	3,489	3,551	-2
Electric	2,506	2,565	-2
Gas	763	768	-1
Compact	220	218	+1
Washers (total)	4,884	4,965	-2
Automatic & Semi-Automatic	4,400	4,480	-2
Wringer & Spinner	182	186	-2
Compact	302	299	+1

Figures shown less last three 000's

Laundry

Home laundry looms as one of the stronger major appliance product areas this year.

Projections indicate only a slight, 2%, sales dip in overall unit volume for this product category, and for each of its major components—washers and dryers—despite what, to say the least, is an unsettling economic climate.

The 8,373,000 total units forecast make it the largest in white goods. Included are 4,884,000 washers and 3,489,000 dryers.

Compacts to grow modestly

The compact segment within each shows signs of slight growth as indicated in the chart, to 302,000 washers and 220,000 dryers. Increasing space constrictions in housing generally and the apartment rental-condominium trend in particular are seen as lending buoyancy to compact sales.

Home laundry products apparently are more resilient to the vicissitudes of the economy than most of the other majors. They are not likely to be included in the "package" in vendor sales to builders, and hence less adversely impacted by the sharp downturn in new housing.

Product improvements provide stimulus

Moreover, replacement sales, as the most significant factor in laundry equipment sales, are being stimulated by such developments as solid-state circuitry and energy-saving features—significant in the latter instance with washers which are part of the labeling program.

Germane to the replacement market in laundry are the big sales years of 1972 and 1973 when washer volume surpassed 5 million units and dryer volume approached 4 million—units that are increasingly ripe for replacement.

In dryers, gas units are seen making a bit of headway against their electric counterparts, attributable in part to more visible energy savings gains from the elimination of the standing pilot, and in part to increased gas utility promotional efforts.

REFRIGERATION

	1980	1979	% of Change
Total	8,222	8,340	−1
Freezers (total)	2,215	2,141	+3
Chest	1,029	1,001	+3
Upright	887	858	+3
Compact	299	282	+6
By Defrosting System:			
No-Frost	197	193	+2
All Other	2,018	1,948	+3
By Size:			
Under 10 cu. ft.	285	282	+1
10-14 cu. ft.	341	335	+2
15 cu. ft.	414	390	+6
16 x 17 cu. ft.	434	409	+6
18 x 19 cu. ft.	214	204	+5
20 cu. ft. & Over	527	521	+1
Refrigerators (total)	6,007	6,199	−3
Full-Size	5,494	5,701	−4
Compact	513	498	+3
By Defrosting System:			
No-Frost	4,810	4,959	−3
All Other	1,197	1,240	−4
By Freezing Compartment:			
Single Door	428	456	−6
Top-Mount	4,107	4,219	−3
Side-by-Side	851	912	−7
Bottom-Mount	108	114	−5
By Size:			
Under 6.5 cu. ft.	482	498	−3
6.5-11 cu. ft.	329	342	−4
12 & 13 cu. ft.	488	513	−5
14 & 15 cu. ft.	1,221	1,254	−3
16 & 17 cu. ft.	1,228	1,254	−2
18 & 19 cu. ft.	1,066	1,084	−2
20 & 21 cu. ft.	653	684	−5
22 cu. ft. & Over	540	570	−5

Figures shown less last three 000's

Refrigeration

A mixed bag is the projection for refrigeration.

Refrigerator unit volume is forecast to be off 3%, but freezer sales to be up by that same amount.

Economic conditions, including Administration efforts to bank inflation's fires with credit curbs on consumer spending in this election year are having a decisive impact on the refrigeration scene.

Affected most severely by the weakness in the economy, notably in the home building sector, are refrigerators.

Negative effects of housing slump

With home completions—which helped maintain big refrigerator sales volume even after starts began their slide—drying up, so are product sales for this sector.

Replacement sales will take up much, but not all, of the slack, industry sources say, and they will be impeded in part by the tighter consumer credit and also by higher costs in which conformance to government energy-saving and labeling requirements are a factor.

With the continuing trend towards higher capacity topmounts and the higher average dollar sale, and a gain in sales of compacts—which go largely to a less-recession-influenced clientele—are plusses.

Freezer picture brightening

The same inflation-induced problems that are clouding the refrigerator outlook, are, in the realm of higher food costs, brightening the picture for freezers.

Freezer volume is expected to be the highest since 1975—when similar conditions of sharp food cost increases prevailed—on a 3% unit gain to 2,215,000.

Both chests and uprights are projected to grow by the same percentage, to 1,029,000 and 897,000, respectively.

Compact freezer sales continue to grow, notably in more urban areas where space is a factor, with a 6% rise to 299,000 units projected.

Audio/Tape

New, smaller, innovative products with more features and only slightly higher prices (in most cases) are expected to give a big boost to the portable tape market this year. Only 8-track players and recorders will decline in sales, according to *Merchandising's* market projections.

The biggest gain will come in microcassette recorders, with a 16% increase (to 183,000 units) expected in 1980 over '79, partly because of greater consumer awareness. Another factor, of course, is product performance; the micros sound better and are more reliable than in the past. As a result, they appeal to a broader segment of the market.

Next comes cassette/radio combos, a category expected to grow 15% this year over last, to a unit sales level of 4,562,000. Even the more basic cassette recorder will be up in unit sales this year, but only by a projected 2%.

Overall, the portable tape recorder category is expected to show a 4% increase in unit sales in 1980.

Compacts due to slip

With few exceptions, compact stereos will take a beating this year. There are two bright spots, however: Cassette trimode models—those with receiver, turntable and cassette player—and the so-called quadmodes with the 8-track feature addition, which seem to be gaining in popularity as more owners of 8-track music libraries make the transition to cassette.

The trimodes are seen as making a 20% gain this year, while the quads (with only 123,000 units selling in 1979) should grow by 18% in 1980 to 145,000 unit sales.

Everything else resembling a compact will be off this year, according to *Merchandising*'s forecast—some products dramatically. Hardest hit, of course, will be the 8-track units, particularly the 8-track player bimode (receiver, 8-track player), which is expected to show a 31% drop in sales in 1980 versus '79.

Overall, compact systems will be off 10% this year.

Blank audio tape

In blank audio tape, the cassette market is in good shape in general with premium continuing to show the strong gains and metal particle at least doubling in unit sales as a function of the sale of metal-compatible cassette decks and consumer awareness. Still, promotional tapes show up well for 1980, due to some extent to the continued strength of portable tape hardware sales.

Open reel tape sales will be down overall this year, even though hardware sales are projected as at least comparable to last year's sales levels. This is expected to be true, in part, because some open reel deck sales are being attributed to consumers who already have a healthy supply of tape.

As for 8-track tape sales, they're projected to be off 19% in 1980.

Overall, radios will be down at least 7% in unit sales this year with the AM-only format the hardest hit. The one area of growth projected by *Merchandising* is solid-state digital clock versions in which a 20% gain is anticipated.

In specialty models, weather-band models will be up about 11%, according to estimates, and scanners up about 10%. CB radio sales will be off dramatically again this year, down 17% overall. ●

BLANK TAPE

	1980	1979	% of Change
Total	255,270	234,786	+ 9
Cassette (total)	229,294	203,986	+ 12
Promotional	106,164	94,790	+ 12
Metal Particle	452	226	+ 100
Chromium Dioxide	6,211	6,538	–5
Ferrite Chrome	4,664	4,359	+ 7
Premium*	111,803	98,073	+ 14
Open Reel (total)	8,436	9,200	–8
Promotional	1,275	1,500	–15
Premium*	7,161	7,700	–7
8-Track (total)	17,540	21,600	–19
Promotional	10,101	12,950	–22
Premium*	7,439	8,650	–14

* *Includes high coercivity ferrite, cobalt ferrite, etc.*

PORTABLE TAPE RECORDERS

	1980	1979	% of Change
Total	18,210	17,532	+ 4
Cassette Recorders	12,495	12,250	+ 2
Cassette/Radio Combos	4,562	3,967	+ 15
8-Track Players	924	1,100	–16
8-Track Recorders	46	57	–20
Microcassette Recorders	183	158	+ 16

COMPACT SYSTEMS

	1980	1979	% of Change
Total	4,005	4,464	–10
Cassette Bimode	57	73	–22
Cassette Trimode=	1,482	1,235	+ 20
8-Track Player Bimode	264	383	–31
8-Track Player Trimode°	575	777	–26
8-Track Recorder Bimode	304	417	–27
8-Track Recorder Trimode°	939	1,188	–21
Changer Bimode	239	268	–11
Quadmode°	145	123	+ 18

= *All units include stereo radio*
° *Includes changer*

RADIOS

	1980	1979	% of Change
Total	26,675	28,550	–7
By Format:			
AM Oly	4,599	5,710	–20
FM & FM/AM	22,076	22,840	–3
By Type:			
Table	1,160	1,250	–7
Portable	15,856	17,100	–7
Clock	9,659	10,200	–5
Analog	2,366	2,600	–9
Digital Clock (total)	7,293	7,600	–4
Solid State	5,640	4,700	+ 20
Mechanical Leaf	1,653	2,900	–43
By Power Source:			
Battery	7,736	8,400	–8
Plug-In	11,203	11,700	–4
AC/DC	7,736	8,450	–8
Specialty Types:			
Multibands	7,272	7,200	+ 1
Weather-Bands	1,055	950	+ 11
Scanners	1,012	920	+ 10
Citizen's Band (total)	1,319	1,590	–17
Base Station (total)	145	190	–24
Single Sideband	53	75	–29
Without Single Sideband	92	115	–20
Mobile Units (total)	1,174	1,400	–16
Single Sideband	187	225	–17
Without Single Sideband	987	1,175	–16

Figures shown less last three 000's

AUTOSOUND

	1980	1979	% of Change
Total	18,487	18,630	–1
UD 8-Track Players	884	1,300	–32
UD 8-Track Radio Combos	375	500	–25
UD Cassette Players	705	775	–9
UD Cassette/ Radio Combos	508	605	–16
ID 8-Track/ Radio Combos	2,000	2,500	–20
iD Cassette/ Radio Combos	2,618	2,200	+ 19
Radics Only (retrofit)	1,137	1,250	–9
Speaker Pairs	10,260	9,500	+ 8

Figures shown less last three 000's

Autosound

Thanks to a strong sales outlook for in-dash cassette/radio combos and speakers, the entire autosound category will be down only 1% this year in unit sales compared with 1979.

Industry marketers are projecting that the in-dash cassette/radio models will be up 19% in 1980, to 2,618,000 units. Speaker pairs are seen growing 8%, climbing this year to 10,260,000.

Although sales in dollars are not projected in this Statistical and Marketing Forecast, aftermarket car stereo manufacturers and importers expect the in-dash cassette products to be up in dollars this year, partly because many people continue to trade up to better equipment, but also due to at least slightly higher prices at retail.

Small cars, small speakers

Sales in dollars for speakers may suffer somewhat on a per-sale basis. Dealers are finding that consumers, particularly those buying smaller cars, aren't skimping on the number of speakers they're installing, but they are opting for smaller speakers, according to many dealer reports.

The biggest drain will come, of course, in 8-track products. This is true mainly in underdash 8-track players in which a dramatic 32% drop in unit sales are projected by industry sources.

Next comes underdash 8-track/radio combos with a 25% projected unit sales decline.

The trend toward in-dash is obvious as even underdash cassette/radio combos will experience a decline in sales this year—down about 16% from '79.

As for radios only (retrofit models), a 9% drop in unit sales is anticipated for this year. •

COMPONENTS

	1980	1979	% of Change
Total	14,985	14,425	+ 4
Receivers	1,521	1,450	+ 5
Amps, Pre-Amps, Tuners, Equalizers	434	417	+ 4
Turntables (exc. OEM)	2,506	2,433	+ 3
Cartridges (ex. OEM)	3,535	3,500	+ 1
Speakers	4,158	3,850	+ 8
Headphones	2,831	2,775	+ 2

TAPE DECKS

	1980	1979	% of Change
Total	712	675	+ 5
Cassette	540	495	+ 9
8-Track	64	72	–12
Open Reel	108	108	N.C.

Figures shown less last three 000's

High Fidelity

Industry consensus is for moderate growth in high fidelity components in 1980 versus 1979 virtually across the board. Overall, a 4% increase in component sales is projected, 5% overall for tape decks.

Unit sales expectations for hifi are about half what the industry projected at this time last year for 1979 compared with what had actually soid in 1978. Then, unit sales growth for 1979 was set at 8% versus '78.

Speakers are expected to get the big play this year in terms of unit sales growth, up 8% over '79. A good part of this increase will come from mass merchandisers (including catalog showrooms), independent appliance/tv chains and stores and other less traditional hifi retailers who increasingly look to hifi as a traffic and sales draw.

Less optimistic picture

If we compared what industry sources believe will occur in unit sales growth this year over '79, versus what they thought would happen at this time last year for '79 compared with what actually happened in 1978, the picture is much less optimistic. This year's projected growth for receivers, for example, is 5% (it was 7% for '79 in last year's May issue of *Merchandising*). For amps, pre-amps, tuners, equalizers together, a 4% increase in unit sales is expected this year (it was 9% for 1979). In turntables, a 3% increase is anticipated this year (versus a 7% boost for last year), and in cartridges, the unit sales increase projected for 1980 is only 1% against a 9% anticipated increase at this time last year for calendar '79.

Headphone sales are seen as only 2% ahead of last year; they were projected as being 7% ahead at this time a year ago.

Even speaker projections are down—to 8% compared with an expected increase of 10% a year ago.

Cassette decks expected to gain

As for tape decks, only cassette models will experience any growth this year, according to industry sources. Open reel models will run about the same as last year at a unit sales rate of about 108,000. And 8-track sales will be down an estimated 12%, to 64,000 units.

Much of the growth in hifi this year is expected to result from sharper pricing and much more aggressive promoting at both manufacturing and retailing levels. As a result, while unit sales should be higher in just about every component category, questions remain as to how successful many suppliers—and retailers—will be in actual sales and profits. •

VIDEOCASSETTE RECORDERS

	1980	1979	% of Change
Total	569	478	+ 19
Beta Format	163	148	+ 10
VHS Format	406	330	+ 23

BLANK VIDEOTAPE

	1980	1979	% of Change
Total	13,854	9,967	+ 39
Beta Format	5,754	4,567	+ 26
VHS Format	8,100	5,400	+ 50

Figures shown less last three 000's

Video

Videocassette recorder sales have been running at record rates—close to 60% ahead of last year for the year to date—and projections for all of 1980 reflect continued optimism. Surveys of VCR marketers, however, indicate that the current sales pace probably won't be maintained for the balance of the year.

Overall, *Merchandising* is projecting sales of 569,000 VCRs, for a 19% gain on the year. The VHS format will continue its dominance with more than twice as many unit sales as the Beta format. VHS is expected to register a 23% increase versus Beta's 10%.

Much of the gain on the Beta side is attributable to the new highly-featured models currently available and coming to the market.

Despite the apparent surge of VCR buying, few industry sources expect heavy buying of video cameras—certainly not black-and-white models. Indeed, black-and-white camera sales will be off an estimated 23% this year. Color cameras, on the other hand, will show a 20% increase in sales, to 52,000 units.

Overall, camera sales will be up only 3% in 1980, totaling 75,000 units.

Blank tape to jump

Huge gains are expected in blank videotape sales. Sales are expected to come close to 14 million this

→

PRERECORDED VIDEOTAPE

	1980	1979	% of Change
Total	3,350	2,158	+ 55
Non-X-Rated	1,135	633	+ 79
X-Rated	2,215	1,525	+ 45
Beta Format	1,159	906	+ 28
VHS Format	2,191	1,252	+ 75

VIDEO CAMERAS

	1980	1979	% of Change
Total	75	73	+ 3
Black & White	23	30	−23
Color	52	43	+ 20

Figures shown less last three 000's

Video Continued

year, an increase of about 39%. Obviously, because of the higher population of VHS machines, and a higher rate of projected VHS sales, this blank tape format will experience the most growth. In fact, VHS blank tape sales could show increases of 50% in 1980. Beta format sales are seen as growing by 26%.

Dramatic growth is also expected in prerecorded videotapes. Merchandising is projecting that 3,350,000 prerecorded videocassettes will be sold this year in the U.S., 55% more than the 2,158,000 sold in 1979.

Again, VHS format will make the big gain.

General programming (non-X-rated) will far outdistance X-rated sales growth this year as more major motion picture features and special interest programs are becoming available on videocassette.

The non-X variety is due to experience a 79% surge, compared with the 45% gain predicted for X-rated material. In terms of units, the forecast for general programming prerecorded tapes is 1,135,000 and X-rated sales will hit the 2,215,000 mark. ●

COLOR TV

	1980	1979	% of Change
Total	9,427	9,793	−4
By Model:			
Portable & Table	7,327	7,530	−3
Console & Combo	2,100	2,263	−7
By Screen Size:			
9-in.	358	369	−3
12 & 13-in.	1,435	1,352	+ 14
14 & 15-in.	283	316	−10
16 & 17-in.	342	382	−10
18 & 19-in.	4,696	4,807	−2
21-in.	162	176	−8
23-in. (total)	223	248	−10
Console & Combo	191	212	−10
Table	32	36	−11
25-in. (total)	1,928	2,143	−10
Console & Combo	1,839	2,051	−10
Table	89	92	−3
Remote Control	1,932	1,731	+ 12

BLACK & WHITE TV

	1980	1979	% of Change
Total	5,963	6,281	−5
By Model:			
Portable & Table	5,945	6,258	−5
Console & Combo	18	23	−22
By Screen Size:			
Mini Combos	320	322	−1
9-in. & Under (exc. minis)	524	560	−6
12-in.	4,264	4,372	−3
13 & 15-in.	153	176	−13
16 & 17-in.	135	156	−13
18 & 19-in.	546	667	−18
22-in. (total)	21	28	−25
Console & Combo	17	23	−26
Table	4	5	−20
Battery-Operated	1,234	1,234	N.C.

Projection TV/TV Games

	1980	1979	% of Change
Projection TV	65	63	+ 3
TV Games (total)	1,609	1,685	−5
Non-Programmable	1,009	1,085	−7
Programmable	600	600	N.C.

Figures shown less last three 000's

TV

While color television sales will continue strong through much of the remainder of this year, they won't be quite up to last year's level. For all of 1980, in fact, unit sales are expected to total 9,427,000, a 4% decline from the 9,793,000 color sets actually sold to dealers in 1979. This is also several points behind 1978's all-time record sales year of 10,236,000.

Despite the sales decline, many manufacturers view this as a fairly healthy year for color sales, considering recent and anticipated price hikes and continuing pressures on consumers' spending power. Some suppliers have even said they expect to increase their share of market this year.

From an even more positive point of view, many manufacturers no longer consider color tv a discretionary product. Like many major appliances—refrigerators and ranges, to name two—color television must be replaced immediately when something goes wrong with the set.

Second set buyer going remote

Then, of course, there's the second- and third-set buyer, who usually purchases a portable or table model and increasingly opts for convenience features such as remote control.

Portable and table models will be off only 3% this year—to 7,327,000. By comparison, console and combo sets will be down 7%—to 2,100,000.

In breaking down sales by screen size, the one area of strength this year will be 12- and 13-in. models, which *Merchandising* is projecting to be up 14% in unit sales in 1980 over 1979.

The 18- and 19-in. sets continue to show strength. Sales of these models will be behind only 2% this year, according to estimates.

The remote control feature continues to gain in popularity. Sales of color receivers with this feature are expected to show a 12% increase—to 1,932,000 units.

Monochrome tv to decline

In black-and-white television, unit sales will be down about 5% overall, to 5,963,000. More specifically, *Merchandising* is projecting portable and table models to be off 5% and console and combo units to be down fully 22% in sales.

In terms of screen sizes, no gains are expected in 1980, although the mini combos, with radios, cassette decks, and various other built-in features should just about equal 1979's sales levels at 320,000 units. The same holds true for battery-operated types.

As a general rule, in black-and-white sets, the smaller the screen size the stronger the unit sales outlook for the year. For example, the 9-in. and under models (excluding mini combos) are expected to be off about 6% in 1980. The 13- and 15-in. and the 16- and 17-in. groupings will each be down 13%, according to projections, but 22-in. sets will show a 25% decline this year.

Projection tv expected to inch up

Projection television, which showed a healthy increase in 1979 for such a high-ticket item (63,000 unit sales versus 54,000 in 1978), won't come anywhere near matching that sales performance this year. Even with expanded distribution and higher consumer awareness, this product category is predicted to grow to only 65,000 units, a 3% gain over last year.

The tv game appears to be losing some ground to the increasingly popular hand-held and board electronic game and even personal computers. *Merchandising* sees no change in the sales of programmable models from last year when about 600,000 units were sold. Non-programmable tv games will show a 7% decline this year to 1,009,000 units. ●

Personal Electronics

TELEPHONES/ANSWERERS

	1980	1979	% of Change
Total	2,791	2,595	+ 8
Telephones (total)	2,222	2,100	+ 6
Standard	1,044	994	+ 5
Decorator	991	962	+ 3
Advanced Electronic	187	144	+ 30
Answerers	569	495	+ 15

DIGITAL WATCHES

	1980	1979	% of Change
Total	21,689	19,717	+ 10
LED (total)	1,408	2,967	-53
Men's	1,194	2,367	-50
Women's	214	600	-64
LCD (total)	20,281	16,750	+ 21
Men's	13,406	11,750	+ 14
Women's	6,875	5,000	+ 38

CALCULATORS

	1980	1979	% of Change
Total	27,443	24,978	+ 10
Hand-Held (total)	23,644	21,317	+ 11
Mini-Card	2,676	2,598	+ 3
Printer	653	573	+ 14
Programmable	82	82	N.C.
Other	20,233	18,064	+ 12
Desk-Top (total)	3,799	3,661	+ 4
Display Only	955	946	+ 1
Printer Only	1,508	1,478	+ 2
Printer/Display	1,336	1,237	+ 8

MISCELLANEOUS

	1980	1979	% of Change
Language Translators	182	140	+ 30
Non-Video Games (total)	28,162	16,083	+ 75
Hand-Held	23,865	12,900	+ 85
Board	4,297	3,183	+ 35
Personal Computers	295	246	+ 20
Radar Detectors	659	610	+ 8

Figures shown less last three 000's

Most of the excitement in personal electronics this year—at least in terms of truly big sales gains—will be in non-video electronic games, particularly the hand-held variety. And there will be a greater variety than ever. They'll be much more complex and more challenging. Many models will be more expensive and some even less expensive than what has been available on the market in months past.

The growth of this market has spurred competition to a fair rate of intensity—to the extent that major toy companies have turned over significant resources to the development and marketing of new products in this category.

There are more suppliers in this area than ever before, and more are expected. Some of the smaller suppliers may be hurt by market fragmentation, but the industry as a whole is expected to gain from the higher exposure. Still, projections for unit sales this year aren't quite as dramatic as a year ago, mainly because of general economic conditions.

Hand-held games to lead

Again, hand-held games are expected to show the greatest growth, almost doubling in sales this year over 1979 to a projected 23,865,000 units, or an 85% increase over last year.

With less of a variety for consumers to choose from in the board-type electronic games (and less emphasis in advertising and promotional programs), a very healthy but, nevertheless, smaller increase of 35% is projected this year for these products—to 4,297,000 units.

Language translators, with a few more suppliers to help promote this products and boost consumer awareness, are expected to show a 30% increase in unit sales in 1980 over '79—to 182,000.

Personal computers, still a relative newcomer as products go, at least as a mass consumer item, will experience a 20% gain in unit sales this year, climbing to 295,000, according to *Merchandising*.

Calculators to continue growth

Calculators will continue to do well, with most of the sales strength showing up in hand-held printer models. The mini-card calculators, although still very popular, are seen as picking up only about 3% in sales this year to 2,676,000 units.

All desk-top calculator models will pick up in sales, too, but not quite as dramatically as the hand-held products.

LEDs to hurt digital watch outlook

The only drop in the sale of personal electronics products will be in digital watches and then only in LED display types. Overall, the digital watch category is projected to be up 10% by *Merchandising* this year over 1979; it would be up much higher if not for a 53% decline in the sale of LED models.

LCD watches, on the other hand, will be up 21% in unit sales, according to projections, to 20,281,000.

Telephones will also be up 8% overall with most strength in the advanced electronics models—up 30%.

As for telephone answering devices, which are becoming increasingly popular as a home product, they'll be up a projected 15%, according to *Merchandising*.

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Air Treatment

A new category has been added to air treatment—ceiling fans. While some of their growing popularity may stem from nostalgia—the romance of "Casablanca"—most of the demand for these fans results from their cooling efficiency.

Industry figures show that the 35,000 units shipped in 1979 will increase by 20% to 42,000 units in 1980, according to suppliers' projections.

Perhaps reflecting a downturn in housing starts as well as the high cost of borrowing money for everything including home improvement, a 1% decline in unit sales of kitchen and bathroom built-in exhaust fans is forecast along with a 5% decrease in unit sales of range and oven hoods.

Desk, bracket fans to gain

Desk and bracket fans are forecast 10% ahead of last year. Sales of these fans will definitely be aided by the President's renewal of the 78-degree indoor summer temperature guidelines. With or without air conditioning, the desk and bracket fans make it easier to work indoors when "we're having a heat wave," as many discovered last summer.

The increases projected for the other fan-types bring total unit fan sales to a 1% gain over 1979. Excluding the negatives projected for built-in exhaust and range and oven hood types, the gain for "coolers" is closer to 6%.

Heaters projected up

Fan-forced heaters bring this category to an overall 3% predicted increase, climbing over the 5-million mark . . . with a little help from the quartz segment which has a 10% gain projected.

Accounting for just over 600,000 units together, non-fan-forced and baseboard heaters are seen down 2% and 3%, respectively.

While humidifiers are slated to hit almost 900,000 units for a 3% gain this year, vaporizers will hold with no change at 1.4 million units. ●

FANS

	1980	1979	% of Change
Total	12,739	12,484*	+1
Window	4,994	4,756	+5
Kitchen/Bathroom Built-In Exhaust	2,970	3,000	–1
Range & Oven Hood	2,375	2,500	–5
Desk, Bracket, Pedestal	1,391	1,265	+10
Roll-About	594	566	+5
Hassock or Floor	373	362	+3
Ceiling	42	35	+20

*Revised

PORTABLE ELECTRIC HEATERS

	1980	1979	% of Change
Total	5,103	4,957*	+3
Fan-Forced	3,919	3,805	+3
Non-Fan-Forced	203	207	–2
Baseboard	431	445	–3
Quartz	550	500	+10

*Revised

HUMIDIFIERS

	1980	1979	% of Change
Total	875	850	+3

VAPORIZERS

	1980	1979	% of Change
Total	1,400	1,400	N.C.

Figures shown less last three 000's

Clocks

The 2% increase projected for unit shipments of clocks will go to quartz. In fact, quartz gains are at the expense of most other types in this category.

For example, the total decorative wall group shows an expected 3% gain for the year. While electric models are shown up 2% and total battery-operated units, 4%; of the latter, quartz posts an 18% increase and non-quartz a 45% drop.

A 5% decrease is projected for key-wind decorative wall clocks.

In kitchen wall clocks, quartz battery-operated models are forecast 12% ahead and the non-quartz type dip below 250,000 units with a 36% decrease expected.

Desk/table/occasional projections

Desk/table/occasional clocks show the battery segment 9% ahead with quartz units gaining 15% and non-quartz losing an equal share.

While electric units in this group are projected up 6%, key-wind models are shown down 7%.

Perhaps the greatest addition quartz, with its accuracy, has made to the clock market, is the advent of the battery-operated alarm. This segment approaches the 4.5 million mark with a 7% gain forecast for 1980.

One thing that appears fairly evident and the clock industry confirms, is that in the not too distant future all battery-operated clocks will incorporate quartz chips for accuracy.

Analog clocks still outsell digitals more than four to one, according to projected shipments for the year ahead. Total analogs are seen up 3% and digitals, just 1%, indicating this spread is increasing. The analog clocks are almost equally divided between wall types and alarms, while the bulk of digital models are alarms. ●

CLOCKS

	1980	1979	% of Change
Total	27,343	26,664	+2
Decorative Wall (total)	5,204	5,066	+3
Electric	1,904	1,867	+2
Battery (total)	3,024	2,908	+4
Quartz	2,672	2,264*	+18
Non-Quartz	352	644	–45
Key-Wind	276	291	–5
Kitchen Wall (total)	6,529	6,284	+4
Electric	3,368	3,302	+2
Battery (total)	3,161	2,982	+6
Quartz	2,922	2,609*	+12
Non-Quartz	239	373	–36
Alarm (total)	14,678	14,417	+2
Electric	6,621	6,688	–1
Battery/Quartz	4,473	4,180	+7
Key-Wind	3,584	3,549	+1
Desk/Table/Occasional (total)	932	897	+4
Electric	175	165	+6
Battery (total)	515	472	+9
Quartz	435	378*	+15
Non-Quartz	80	94	–15
Key-Wind	242	260	–7
Analog (total)	22,048	21,442	+3
Decorative Wall	4,771	4,610	+3
Kitchen Wall	6,400	6,158	+4
Alarm	9,973	9,804	+2
Desk/Table/Occasional	904	870	+4
Digital (total)	5,295	5,222	+1
Decorative Wall	433	456	–5
Kitchen Wall	129	126	+2
Alarm	4,705	4,613	+2
Desk/Table/Occasional	28	27	+5

Figures shown less last three 000's

Cookware/Bakeware

Despite a generally erratic economic forecast for the year ahead, total metal cookware/bakeware sales are set for a 5% gain.

Leading the sub-groups is aluminum with a 9% increase projected. Some of this is reflected in the 18% gain forecast for cookware with non-stick interiors, as well. Most of which will probably be the better quality standard and professional-type aluminum cookware with SilverStone interiors being heavily promoted again in 1980.

Another proof of the trend to higher end cookware is seen in the 1% increase forecast for the porcelain enamel on cast iron kind.

Decreases are projected for stainless steel (2%), enamel (2%) and cast iron (4%). This may be indicative of lower domestic output due to price-cutting "look-like" imports.

Overall, while the natural metal finishes—polished or anodized—are close to if not on the top of the best seller list for cookware, in the porcelain and enamel types the almond and earthtone colors finish first.

Along with the professional and traditional sizes of pots and pans, this year a new portion-control cookware debuts in June—Aluminum Specialty Co.'s Weight Watchers line—which is expected to add to second-half excitement.

Pressure cookers still rising

Total unit sales of pressure cookers are projected 8% ahead of 1979. The non-electric models get all the credit for this increase with a 10% gain slotted. The electric units are seen down 3%.

According to one producer, pressure cooker sales "topped off" in the 1974-75 canning boom until the middle of last year when they "took off" again.

Part of the upturn in pressure cooker sales is believed due to their speed—very important to the increased number of working women—and also to the higher cost of food. When pressure cooked, less expensive cuts of meat become culinary delights.

Another aspect of pressure cookers is that while it was canners that gave the category its big boost in '74-'75, current business is across the line starting with 4-qt. capacity cookers, indicating everyday use.

Plastic leads m/w cookware

With a 12% gain projected for the year, plastic microwave oven cookware surpasses the 6-million unit mark to stay at the head of the pack.

Ceramic tops the 4-million count with a 9% increase projected and glass nears the same level, up 8% in units shipped.

Stoneware is slotted for a 4% decrease, falling just below the 2-million unit point.

"Other"—paper and china primarily—hits 800,000 units with a projected increase of 3%.

Working couples have been reported the most frequent microwave oven users—it follows, therefore, they purchase most microwave cookware. While weekends may be spent cooking conventionally, "extras" are frequently prepared and frozen in meal-size portions for fast thaws and re-heatings in the microwave oven during the busy work week . . . accounting for the popularity of plastics. ●

METAL COOKWARE & BAKEWARE

	1980	1979	% of Change
Total	111,778	106,723	+5
Aluminum	71,452	65,552	+9
Stainless Steel	25,700	26,255	−2
Enamel	7,395	7,546	−2
Cast Iron	4,656	4,850	−4
Porcelain Enamel on Cast Iron	2,575	2,550	+1
Non-Stick Surface	51,632	43,756	+18

MICROWAVE COOKWARE & BAKEWARE

	1980	1979	% of Change
Total	16,931	15,706	+8
Ceramic	4,009	3,678	+9
Glass	3,990	3,694	+8
Plastic	6,141	5,483	+12
Stoneware	1,991	2,074	−4
Other	800	777	+3

PRESSURE COOKERS

	1980	1979	% of Change
Total	3,065	2,825	+8
Electric	315	325	−3
Non-Electric	2,750	2,500	+10

Figures shown less last three 000's

Floor Care

Industry estimates forecast floor care unit shipments 2% ahead of 1979. This amounts to just under 11 million pieces for this category.

Going just over the 9-million mark, vacuum cleaners account for the lion's share of floor care.

Uprights and canisters are at the head of the class, each projected for a 1% increase, bringing the total of the former to 2.4 million units and the latter to 3.12 million.

A 3% increase is shown for lightweights. While sticks account for almost 1.3 million units of the total 1.7 million listed for the category, they are shown up but 1%. Almost hitting the 400,000-unit level are the hand-held lightweights, with a 12% gain projected.

The non-plug-in picker-upper

Carpet sweepers are slotted up 5% for 1980, equaling a total of 1,365,000 units. In addition to convenience and price, these items are now considered energy-savers, as well.

As one industry source put it, "Many people now think twice before plugging in to pick up."

Floor polishers move forward

Reversing the downward trend seen since 1976, floor polishers are projected 2% ahead, keeping well in front of the half-million-mark.

This might be another sign that the long-awaited recession is finally here and more consumers are preparing to clean their own rugs. ●

FLOOR CARE

	1980	1979	% of Change
Total	10,937	10,734	+2
Vacuum Cleaners (total)	9,050	8,922	+1
Canisters	3,125	3,094	+1
Uprights	4,242	4,200	+1
Lightweights (total)	1,683	1,628	+3
Hand-Held	395	353	+12
Sticks	1,288	1,275	+1
Carpet Sweepers	1,365	1,300	+5
Floor Polishers	522	512	+2

Figures shown less last three 000's

Home Security

A 5% increase is projected for the home security market bringing the total number of units scheduled for shipment in 1980 to just under 13 million.

Over half of this category's business is done in smoke detectors. Here the ionization-type account for 10 times the number of photoelectric-type units.

This is not unexpected, the ionization models are less expensive to produce but, more importantly, the government has cleared them as a source of radiation-exposure which might be harmful to one's health.

Fire extinguishers retain place

With "no change" seen for the number of fire extinguishers shipped this year, the category still commands a healthy 5-million unit count.

It appears that both the extinguishers and smoke detectors—the fire-protection segment of the home security market—have become mature markets. Neither has, nor seems likely to now, reached the double-digit-million-unit levels projected for them by some less than five years ago.

The fierce competition, especially among suppliers of smoke detectors, knocked out profit margins and is blamed for this under-performance.

Intrusion is where there's action

While still a relatively small market—just over 10 million units projected to be shipped this year—intrusion systems, single as well as combinations, are where market growth is forecast. Simple intrusion detectors are seen nearing the 600,000-mark with a 25% increase, and combination systems approach a total of half-a-million units with a 100% gain slotted. ●

HOME SECURITY

	1980	1979	% of Change
Total	12,930	12,308	+5
Smoke Detectors (total)	6,870	6,600	+4
Ionization	6,240	6,000	+4
Photoelectric	630	600	+5
Fire Extinguishers	5,000	5,000	N.C.
Intrusion Systems	594	475	+25
Smoke/Fire/Intrusion Combos	466	233	+100

Figures shown less last three 000's

Kitchen Electrics

KITCHEN ELECTRICS

	1980	1979	% of Change
Total	83,353	81,176	+ 3
Bag Sealers	2,342	2,390	-2
Blenders	4,975	5,025	-1
Broilers (total)	2,506	2,423	+ 3
With Rotisseries	469	464	+ 1
Without Rotisseries	2,037	1,959	+ 4
Can Openers (total)	5,656	5,520	+ 2
Single Units	3,010	2,951	+ 2
Combination Units	2,646	2,569	+ 3
Coffee Grinders	368	368	N.C.
Coffeemakers (total)	12,741	12,104	+ 5
ADC	8,691	8,277	+ 5
Automatic (1-16 cup)	3,138	2,906	+ 8
Party Perc (over 16 cup)	912	921	-1
Convection Ovens, Countertop	750	250	+ 200
Cornpoppers (total)	5,415	5,280	+ 3
Hot Air	2,223	2,117	+ 5
Hot Oil (total)	3,192	3,163	+ 1
Buttering	2,546	2,497	+ 2
Non-Buttering	646	666	-3
Crepe Pans	309	364	-15
Deep Fryers (total)	2,636	2,818	-7
Mini	1,539	1,710	-10
Regular	1,097	1,108	-1
Egg Cookers	460	460	N.C.
Fondues	204	215	-5
Food Mixers (total)	5,900	5,568	+ 6
Stand Type	1,501	1,457	+ 3
Portable, Hand	4,399	4,111	+ 7
Food Processors	3,150	3,000	+ 5
Food Slicers	533	523	+ 2
Frypans/Skillets	2,872	2,709	+ 6
Griddles/Quick Grills	674	661	+ 2
Hotplates & Buffet Ranges	811	803	+ 1
Ice Cream Makers	1,293	1,306	-1
Ice Crushers	188	188	N.C.
Irons (total)	10,149	10,340	-2
Steam & Steam/Spray (total)	9,602	9,795	-2
Standard	8,045	8,380	-4
Full-Feature Lightweight	1,557	1,415	+ 10
Automatic Dry	350	350	N.C.
Travel	197	195	+ 1
Juice Extractors	21	20	+ 5
Omelet Pans	254	254	N.C.
Slicing Knives	1,743	1,692	+ 3
Slow Cookers	5,867	5,641	+ 4
Toasters (total)	9,174	8,916	+ 3
Two-Slice	4,576	4,567	+ 1
Four-Slice	1,752	1,752	N.C.
Toaster-Ovens (without broilers)	879	888	-1
Toaster-Ovens (with broilers)	1,921	1,700	+ 13
Waffle Irons/Sandwich Grills	1,175	1,119	+ 5
Woks	578	578	N.C.
Yogurt Makers	609	641	-5

Figures shown less last three 000's

The kitchen electrics industry projects twice as many winners as losers this year—unit shipments are seen up for 16 appliances and down for eight, five remain in a "no change" position.

The biggest percentage gainer is countertop convection ovens—appearing for the first time in *Merchandising*'s Statistical & Marketing Forecast. From the 250,000 units shipped in 1979, the industry forecasts a 200% jump bringing 1980 shipments to a total of 750,000 units.

Coffeemakers, very firmly remaining in the number one spot among the kitchen electrics tracked by *Merchandising*, is projected up 5%. The ADC segment nears the 8.7-million mark with a like gain.

What's interesting here is that 1-16 cup percolators are passing the 3-million count with an 8% gain forecast. This is consistent with trends being reported, but why it is happening has not been satisfactorily explained either by producers or retailers.

Some of the explanations given include: Economy—it takes less coffee to brew a good cup in a perc, smaller kitchens and more appliances—percs take up less space, pricing—percs are more promotable.

There may be a little truth in all of the above and even if many would say there is more fiction, the 1-16 cup percs are moving ahead.

Projected for a 10% increase in units shipped, full-feature lightweight irons pass the 1.5 million mark.

Lightweights take from standard models

Despite the lightweight action, overall the second-place category is expected to take a 2% drop this year. Since "no change" is recorded for the automatic dry, the lightweights appear to be taking all their strength from the standard steam & steam/spray models.

Two-slice toasters and toaster-ovens (with broilers) keep the last of the big three kitchen electrics—toasters—in the plus column with a 3% gain in unit shipments forecast.

The two-slice models are slated to rise 1% and toasters-ovens-with-broilers near the 2-million mark with a hefty 13% gain projected. No change is seen for four-slice toasters while the simple toaster-ovens lose 1%.

Hot air buoys cornpoppers

The cornpopper market, buoyed by a 5% increase in hot air models, is seen up 3% for all units shipped this year compared to 1979.

The self-buttering hot oil units are 2% ahead while the non-buttering-type is off 3%.

A fun, relatively inexpensive, low calorie and high fiber food, popcorn is becoming America's favorite at-home snack. Total unit shipments of cornpoppers will be near the 5.5-million count, according to industry estimates. This is one example where "hot air" is very important and profitable, not just talk.

Among the other kitchen electrics projected for increased unit shipments this year are broilers, can openers, food mixers, food processors, food slicers, frypans/skillets, griddles/quick grills, hotplates & buffet ranges, slicing knives, slow cookers, and waffle irons/sandwich grills.

Food processors top the 3-million mark with a 5% gain forecast. Second-generation models with more sophisticated features at one end, and low-priced promotional and close-out units at the other, have kept this market moving.

Also slotted for a 5% gain are juice extractors—as a group they count for the smallest number of units, 21,000. One of the popular marketplaces for this sophisticated kitchen electrics is the health food shop.

Back to basics

Back to the basics, a 6% increase is forecast for food mixers and frypans/skillets. Stand mixers just top the 1.5-million mark with a 3% increase, and portable hand mixers almost touch the 4.4-million level, up 7%.

Slow cookers are near the 5.9-million level with a projected 5% gain seen and slicing knives and broilers are each projected 3% ahead of 1979.

For the remaining kitchen electrics in the positive column, the gain in units shipped is either 1% or 2% over last year.

"No change" is forecast for coffee grinders, egg cookers, ice crushers, omelet pans and woks. With the exception of the latter at 578,000 units, no appliance in the group ships as much as a half-a-million units. Egg cookers come the closest with a total of 400,000.

Percentagewise, but not unexpectedly, crepe pans are set for the largest loss in unit shipments, down 15%. The item just hovers over the 300,000-mark now.

Deep fryers in a minus position

A 10% decrease for mini-fryers along with a 1% drop forecast for the regular-size unit, puts the deep fryer category into a minus 7% position.

Fondues and yogurt makers are both forecast for 5% decreases. This will keep the former just over the 200,000 count and the latter just over 600,000.

Industry forecasts show bag sealers off 2% and blenders and ice cream makers each with a 1% drop. This brings blenders below the 5-million count for the first time since 1976.

Following the introductions of the American Electric, Farberware and General Electric food processors, it was reported that they were helping blender sales. The blender was even called "the poor man's food processor." However, as food processors—with and without blender attachments—have come down in price, they appear to be adversely affecting sales of blenders.

Balancing the winners against the losers, the total kitchen electrics category is positive—resulting in a 3% increase for the year. •

Outdoors

BARBECUE GRILLS

	1980	1979	% of Change
Total	11,700	11,098*	+ 5
Gas	1,486	1,327	+ 12
Electric	139	136*	+ 2
Charcoal (total)	10,075	9,635*	+ 5
Braziers	1,111	1,100*	+ 1
Fireplace	8	8*	N.C.
Hibachis	2,493	2,330	+ 7
Picnic Grills	3,638	3,602	+ 1
Smokers	2,580	2,345	+ 10
Wagons	245	250*	–2

*Revised

SNOW THROWERS

	1980	1979	% of Change
Walk-Behind (total)	1,245	1,082	+ 15
Single-Stage	870	784	+ 11
Two-Stage	375	298	+ 26

LAWN CARE

	1980	1979	% of Change
Total	13,949	14,064	–1
Line Grass Trimmers	7,685	7,250	+ 6
Power Mowers (total)	6,264	6,814	–8
Powered Walk-Behind	5,299	5,760	–8
Riding	747	812	–8
Garden Tractors	218	242	–10

Figures shown less last three 000's

Reaching a total of 1.2 million units, snow throwers ring up the biggest gain—15%—in the outdoor category.

Single-stage models near the 900,000-unit mark with an 11% increase and two-stage snow throwers hit the 375,000-mark with a 26% gain seen.

Power shovels, a new item joining the category late in 1979, are expected to further heighten the snow-clear-away market. While no figures are available yet for these items, they will be awaited with interest and reported as soon as possible.

Gas a factor in grill rise

Buoyed by increases projected for gas units; the barbecue grill market is seen up 5%.

With a 12% gain in unit shipments forecast for 1980, gas grills approach the 1.5 million count.

Total charcoal grills are seen up 5%, with smokers chalking up a 10% increase, passing the 2.5 million-mark.

Hibachis near the 2.5-million mark with a 7% gain projected; picnic grills and braziers are slotted for a 1% increase each; fireplace grills are expected to stay at 8,000 units and wagons are set to roll down with a 2% decrease seen.

Lawn care cuts just under 1979

The lawn care category is set at 1% behind 1979 unit shipment totals.

With a 6% increase projected, line grass trimmers go over 7.5 million mark.

However, the outlook for power mowers brings this category under last year's standing.

"Eight" is the unlucky number here, with an 8% decrease projected for the over-all power mower market and again in the walk-behind and riding segments.

Garden tractors are forecast down 10% in unit shipments.

One of the factors to be considered for this forecast is the uncertain economy. Power mowers may be considered a deferrable purchase, unlike coffeemakers or toasters; if it breaks down, an immediate replacement is not as necessary. Also, being a higher-priced item, it is economical to have a power mower repaired, even allowing for the inflated cost of labor.

Another factor for the projected downtrend in power mowers might be the still unsettled safety standards which the Consumer Product Safety Commission has had in the works for at least the past five years. ●

Personal Care

PERSONAL CARE

	1980	1979	% of Change
Total	63,808	60,637	+ 5
Bathroom Scales (total)	8,629	8,106	+ 6
Regular	7,681	7,316	+ 5
Digital	948	790	+ 20
Bed Coverings	5,740	5,125	+ 12
Curling Brushes	1,663	875	+ 90
Curling Irons			
Styling Wands	6,786	6,463	+ 5
Dry	4,381	4,075	+ 8
Mist	2,405	2,388	+ 1
Facial Saunas	561	550	+ 2
Foot Baths	428	400	+ 7
Hair Dryers (total)	18,541	18,488	N.C.
Pistol	12,880	12,267	+ 5
Styling	4,680	5,200	–10
Hard Top	523	539	–3
Soft Bonnet	458	482	–5
Hair Setters (total)	2,643	2,382	+ 11
Dry	652	604	+ 8
Mist	1,991	1,778	+ 12
Heating Pads	4,223	4,100	+ 3
Makeup Mirrors	1,698	1,633	+ 4
Hand-Held Massagers	872	830	+ 5
Shower Massagers	2,036	1,885	+ 8
Nail Care Devices	1,259	1,325	–5
Oral Hygiene Devices (total)	1,733	1,650	+ 5
Water Pulsators	1,193	1,126	+ 6
Electric Toothbrushes	540	524	+ 3
Shavers (total)	6,173	5,960	+ 4
Men's	4,862	4,675	+ 4
Women's	1,311	1,285	+ 2
Skin Cleaners, Face & Body	823	865	–5

Figures shown less last three 000's

"Looking good and feeling good" or vice versa may well be the motto for the 1980s. Certainly there is little local, national or international news that sends you off with a smile in the morning. The desire to feel better when, like Chicken Little one feels the sky is falling, means looking better. That attitude is reflected in the 5% increase projected for personal care this year.

Alphabetically, as well as actually, a good place to start getting into shape is weight or waist watching which bodes well for scales.

Total units of bathroom scales are seen up 6% over 1979. While the regular type still accounts for the bulk of this category, digital scales are moving up. The 20% increase forecast will put them near the 950,000-mark.

While no change is seen for the total hair dryer category, a 5% increase is forecast for pistol dryers—a group which includes both standard and compact models. Industry sources noted that most of the growth would be from sales of the latter units.

Of the total hair dryer market which has matured at around the 18.5 million-unit level—a healthy size—pistol types account for almost 13 million units, and are the only gainers seen this year. Styling dryers are projected down 10%, slipping below the 5-million mark; hard top and soft bonnet models, which together account for under one million units, are seen down 3% and 5%, respectively.

Curls are in

Mirroring today's hair styles—the preppie look which includes soft, feathery curls and sleek page boys—along with the busier schedules of women as they join the working world in ever increasing number, campaign for candidates or issues such as ERA, and still carry on as homemakers, curling irons/styling wands and hair setters, along with a newcomer, curling brushes are projected ahead.

Accounting for the most units are curling irons/styling wands—a 5% jump takes them to the 6.8-million point. Most of this gain is in the dry segment (seen up 8%), due in part to the lower-priced name brand units which have been placed on the market to compete for the share formerly dominated by secondary suppliers and low-end imports.

A healthy 11% increase is projected for hair setters, here the mist units corner the market by a three-to-one ratio. A big factor in the 8% gain forecast for the dry units may well be the introduction of compact hair setters, such as Clairol's Set-A-Way, which can be easily carried in a brief case, as well as a pullman bag, or stowed in a desk drawer for a very quick set if one is caught in the rain before that "big" meeting.

Curling brushes almost double in volume with a 90% increase projected. This brings the new entry to 1.7 million units—not bad for a beginner.

Action up in oral hygiene

Another area where action is predicted brisk for this year because of new manufacturers entering the field as well as new products reaching the marketplace is the oral hygiene device sector. Water pulsators are seen 6% ahead and electric toothbrushes, up 3%.

With 1980 forecasts for increases of 5% or better are bed coverings (automatic blankets), 12%; shower massagers, 8%; foot baths, 7% and hand-held massagers, 5%.

Those having projections under 5% are total shavers, 4% (men's 4% and women's 2%); makeup mirrors, 4%; heating pads, 3% and facial saunas, 2%.

The only two sub-categories slotted for losses are nail care devices and skin cleaners, each down 5%.

At this point, the personal care industry appears to be a pretty picture for the year. ●

Non-Electrics

NON-ELECTRICS

	1980	1979	% of Change
Total	61,561	55,827	+ 10
Canister Sets	4,385	4,060	+ 8
Dish Drainers	7,108	6,521	+ 9
Ice Buckets	1,301	1,275	+ 2
Organizers	32,911	29,125	+ 13
Soap Dishes	3,035	2,975	+ 2
Wastebaskets	12,821	11,871	+ 8

Figures shown less last three 000's

One is tempted to want to call this category a "catch all" but considering the multitude of items that could be included in such a grouping, the products tracked here by *Merchandising* barely scratch the surface.

Nevertheless, this assortment of very basic items is a good forecaster for the entire non-electric housewares market and the direction is upward across the board, with an overall gain of 10% projected.

Organizers of all types, made of plastic or metal and sometimes a combination of the two, for example plastic-over-wire baskets and grids, top this category. They are slated for a 13% gain, a total of almost 33 million units.

In second place are dish drainers projected 9% ahead of last year. This may be indicative of the fact that at least some people are not running the dry cycle on their dishwashers but rather unloading them after the final rinse to air dry the dishes. Perhaps a minor energy-saving practice but with the high cost of utilities in most parts of the country, every little bit helps.

Both canister sets and wastebaskets are expected to rise by 8%. This will bring the total for waste baskets near 13 million units and for canister sets, close to 4.4 million.

Soap dishes pass the 3-million mark and ice buckets the 1.3-million mark, each with a 2% gain seen.

Colors preferred

Many of these products are purchased for either the kitchen or the bathroom. Color preferences indicated in the most recent Marketing Research Study of Housewares Mfrs., published by the NHMA, show almond, white and yellow are in win, place and show positions in the kitchen, while white, brown and and blue capture these spots in the bathroom.

The outlook for these half dozen non-electric products—as a bellwether for the industry—gives credence to the saying that the housewares business is recession resistant. •

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Prerecorded Videocassette Report

VIDEO OUTTAKES

"The largest introduction effort that RCA has ever undertaken" will be applied to its SelectaVision VideoDisc system, according to **Jack Sauter,** vice president and general manager, **RCA Consumer Electronics** in announcing that **Leo Burnett USA,** a Chicago based agency, will handle national advertising when the new player is introduced early next year. Burnett has handled advertising for RCA tv and VCR products since February 1976. All media will be used to promote the product, Sauter said. . . .

Meanwhile, **Audrey Griffin,** formerly director of marketing services for WNET in New York, was named director of special programs for SelectaVision VideoDiscs. And **Howard Ballon,** formerly with Random House and Warner Communications, was named manager, market planning for SelectaVision. . . .

Magnetic Video has signed on **ABC Video Enterprises** and the **National Collegiate Athletic Assn.** (NCAA) as program suppliers. Agreement makes MV the sales and marketing organization for ABC Video, at least for a large part of the network's library of video programs directed at the home video market. . . .

Patrick McEntree was named producer of video products at **Sony Video Products.** Formerly staff producer at Corporate Video Service Co., New York, McEntree will produce video programs for Sony. . . . Sony Video also named Tom Sherer its new western regional manager for marketing development, based in Sony's Compton, CA office. . . .

Media Home Entertainment has signed a videotape manufacturing agreement with **Videocomm,** Toronto, Canada, for the Canadian company to duplicate MEDA's videocassettes in Canada. MEDA is setting up distribution in Canada to market titles in four categories: Feature films, music and rock concerts, animated features, and adult programs. MEDA expects to make more than 90 titles available in the Canadian market. . . . MEDA has released "High Velocity," starring Ben Gazzara and Britt Ekland, in Beta and VHS formats. . . .

EMI Videograms has acquired worldwide rights to "Rock Justice," the rock concert recorded at San Francisco's Old Waldorf last November. It's expected to be the first rock show developed for videodisc, says EMI. . . .

Although originally billed as a consumer show, Videospace 1980 **(Rising Starr Productions,** Seattle) has set aside one room for professional video exhibits. It's set for July 25-26, 1980 at the Seattle Center-North Court. . . .

Warner WCI Home Video reportedly is looking into the mail-order business for cassettes and discs. The study, which should be completed by year's end, is being directed by **Paul Eisele,** a full-time Warner consultant and former Time-Life Video Club executive. . . .

JVC will move its U.S. operation from Maspeth (Long Island), NY to Moonachie, NJ by the end of this year. . . .

The mass market potential for RCA's SelectaVision player is at least as great in Europe as it is in the U.S., says **Herbert Schlosser,** executive vice president of RCA. He said RCA is committed to the European market and "technical development work has been underway for many months." . . .

TDK Electronics is forecasting total blank videocassette sales this year at 17 million units. "This is the figure we arrived at based on VCR sales and field sales reports from our dealers," says **Ed Pessara,** TDK video products manager. He also said a growing number of camera stores are handling blank videotape. . . .

Harvey Schein, an executive vice president of Warner Communications, has been named president and chief executive of Polygram Corp., the U.S. subsidiary of the Polygram Group, a joint venture of Siemens and Philips, involved in music publishing, filmmaking and recorded music, and eventually—home video. Schein, a lawyer and former CBS executive, had also been chief executive of the Sony Corp. of America before joining Warner in 1978. . . .

Video Corp. of America has acquired most of the assets of Inovisions's videocassette duplicating laboratory in Dallas. VCA chairman **George Gould** said his company will begin using this facility immediately for its expanding duplicating needs, primarily to serve southwestern area markets, "where the use of video for industrial communications has been growing steadily." The lab will be operated as **Teletronics-Texas Inc.,** a subsidiary of VCA, headed by **Tom DeMaeyer,** a VCA vice president and general manager of Teletronics Video Services in Chicago. VCA also operates video labs in Chicago and Leonia, NJ. . . .

The **Videocassette Rental Club** has acquired the rights, from Films Inc., to distribute seven programs in the home video market, including "The Shout," and "The Thief of Bagbdad," with Peter Ustinov. The five remaining are children's programs which include two Mr. Rogers' Neighborhood specials. . . .

The **Nostalgia Merchant** in Hollywood has put together new promotional video clips and trailers from its top selling titles as well as new releases for in-store promos. . . .

Rita Hohn was named marketing support administrator for **ABC Video Enterprises' Video Sales Division.**

Home Theatre/Visual Concepts Inc. is distributing a one-hour videocassette called "Once Upon A Wheel" starring Paul Newman, but with other movie and music stars, and racing drivers. . . .

Capitol Records will distribute EMI feature films and concerts on videocassettes starting in June, all priced at $49.95. . . . •

Magnavox expands its videodisc players to 8 more markets

FT. WAYNE, IN—Magnavision videodisc players will be sold in eight additional markets by mid-May, bringing to 16 the number of markets in which the systems are available in the U.S.

The new markets are St. Louis, Tampa, Denver, Detroit, Portland, Cincinnati, Kansas City and Knoxville.

Current markets are Atlanta, Seattle, Dallas, Phoenix, Cleveland, Minneapolis-St. Paul, Pittsburgh and Buffalo.

Magnavision is expected to be available in most major marketing areas in the country by the end of 1980, covering 65% of all television households.

Kenneth Ingram, senior vice president, sales and marketing, Magnavox Consumer Electronics, said, "Our research of initial Magnavision buyers indicates that videodisc players will appeal to those persons we term 'quality minded' consumers."

Key role of stereo

The research also indicates that stereo capability will play a key role in consumer buying decisions regarding videodisc systems, Ingram added. "Since we know that 90% of our current Magnavision owners also own stereo hifi equipment, we feel most videodisc system buyers will want the stereophonic sound capability available only with the Magnavision optical videodisc player."

Ingram also said that the recent announcement by MCA DiscoVision, which makes optical videodiscs, of the acquisition of rights to music programming by popular artists Abba, Elton John, Loretta Lynn, Olivia Newton-John and Helen Reddy indicates increased stereo music programming will eventually be available to purchasers of the optical videodisc player.

ABC Video signs pact with BBI of Boston

NEW YORK—ABC Video Enterprises has reached an agreement to distribute for non-broadcast use a variety of programming produced by BBI Communications Inc., of Boston, a leading producer of health, children's and community and public affairs programming, and originators of the broadly syndicated "The Baxters."

Merchandising's TOP 50

	Last month's position	Months on chart
1. Superman	1	3
2. The Godfather	2	10
3. Grease	4	2
4. Blazing Saddles	3	2
5. Saturday Night Fever	6	10
6. Enter the Dragon	N	1
7. The Godfather II	5	7
8. M*A*S*H*	11	19
9. Dirty Harry	8	2
10. Heaven Can Wait	7	2
11. Oh God!	N	1
12. All the President's Men	13	2
13. The Sound of Music	15	14
14. Butch Cassidy & the Sundance Kid	9	7
15. The Exorcist	10	2
16. The In-Laws	N	1
17. Patton	22	19
18. Foul Play	19	2
19. Silver Streak	18	2
20. Looking for Mr. Goodbar	14	7
21. Harold & Maude	12	3
22. Deliverance	N	1
23. The Longest Yard	33	4
24. Marathon Man	16	6
25. Night of the Living Dead	38	11
26. The Deep	29	3
27. Hooper	N	1
28. Bruce Lee—Super Dragon	17	17
29. The Graduate	21	16
30. Barbarella	36	7
31. The African Queen	24	10
32. Chinatown	20	4
33. Murder on the Orient Express	23	7
34. Tora! Tora! Tora!	40	19
35. Death Wish	30	4
36. The Adventures of Sherlock Holmes' Smarter Brother	37	5
37. King Kong (New)	26	5
38. Pretty Baby	28	4
39. The King & I	11	19
40. The Longest Day	42	19
41. Love Story	46	6
42. Nashville	27	5
43. The Shootist	39	4
44. French Connection	25	19
45. The Man Who Would Be King	N	16
46. Hello Dolly	32	19
47. Carnal Knowledge	31	16
48. Papillon	N	16
49. The Dutchess & the Dirtwater Fox	18	6
50. A Touch of Class	44	10

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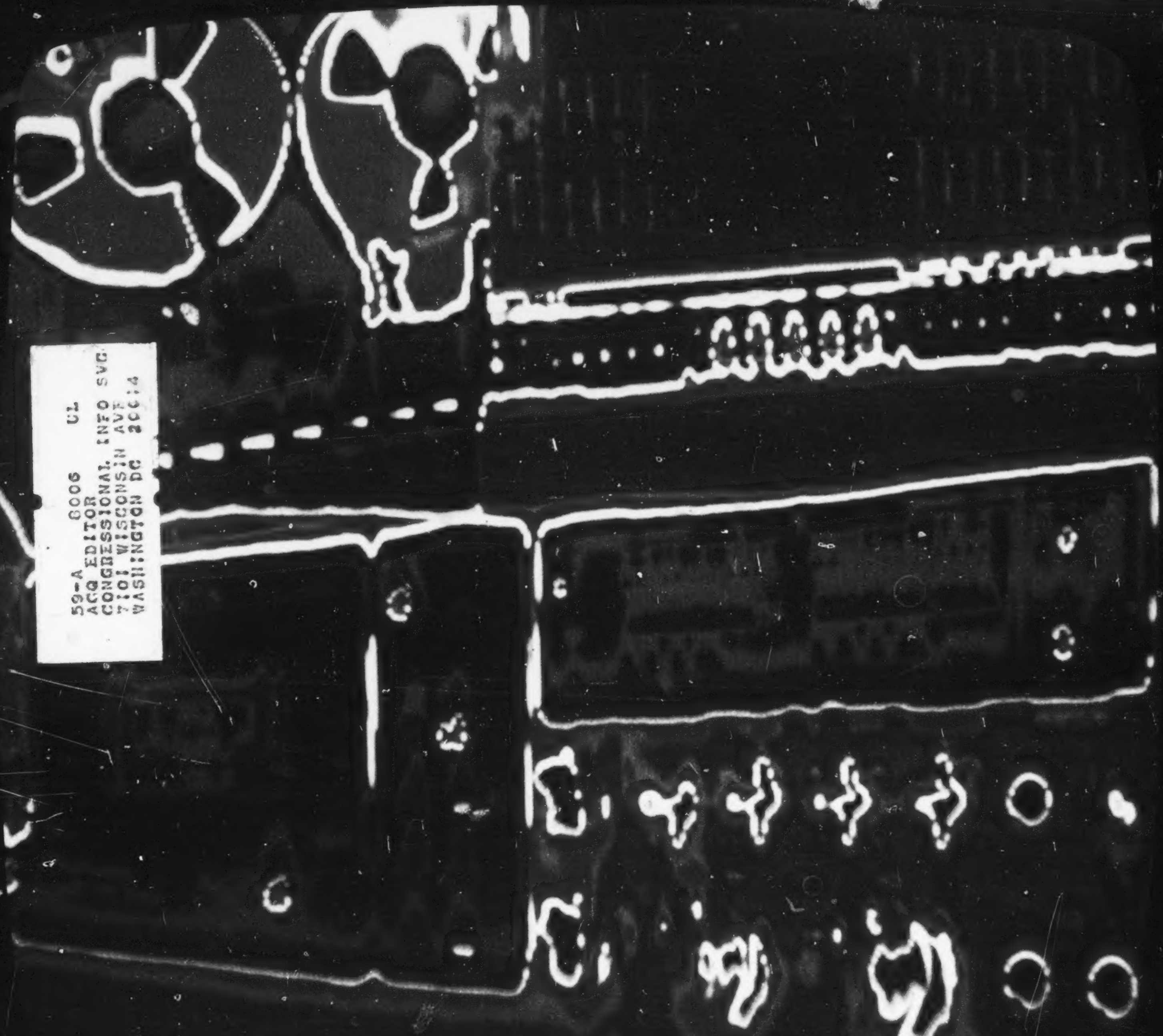

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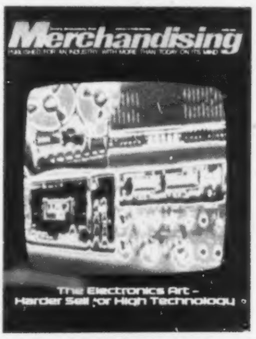
PUBLISHED FOR AN INDUSTRY WITH MORE THAN TODAY ON ITS MIND

June 1980



Overviews 25

Consumer electronics sales will blow hot and cold between now and year's end. It depends on what you're selling.

Color tv sales will dip to about 9.4 million units in 1980, according to manufacturers, while black-and-white will stay pretty flat. Based on surprisingly strong first four months that saw annualized VCR sales jump to an 800,000-unit rate, manufacturers have raised their sales projections for this year to just under 600,000 units, a big jump over '79.

There's also audio/hifi sales for the most aggressive of dealers, and plenty of action in personal electronics.

The electronically-generated artwork on our cover this month was supplied by New Orient Media of Dundee, IL.

Prerecorded Videocassette Report 61

Manufacturers and distributors of prerecorded videocassettes expect sales to increase substantially this year, boosted by healthy VCR sales. There's no consensus on the extent of growth, but most expect sales in the second half of the year to exceed the first half, with producers predicting anywhere from a 10% to a 350% increase in their business.

Meanwhile, they're gearing up for the second half with a variety of new program offerings.

Merchandising's Top 50 is headed this month by the dealers' choice, the hit movie "10."

close-up

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Recently promoted Walter W. Williams, General Electric vice president and general manager of its Housewares & Audio Business Div., finds he's in a "very positive arena" and he likens retailers' product selections to good portfolio management.

Retail Opinion File 90

When *Merchandising* went out to survey retailers, we found them something less than ebullient about second-half prospects. Even those dealers who are expecting gains in the next six months are expressing caution, saying they'll watch their inventory closely and continue to buy conservatively.

As one dealer told us: "It's time to live off my fat until conditions warrant expanding again."

Trendings 6

- Major appliance sales are slowing, but strong promotions still yield gains for some retailers.
- Non-electric housewares buyers expect "outdoor fun" products to get the bulk of June business.
- Electric housewares' "second season" starts with regional differences in hot items.
- Personal electronics dealers will shop CES as usual, but will buy cautiously.
- Video entertainment retailers brace for a rough second half, but one not without bright spots.
- Audio/hifi dealers will be looking for all the help they can get at CES.

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- Microwave oven, food and utensil industries need uniform terminology and testing procedures to grow, IMPI sessions hear 94
- Shepherd urges appliance/tv dealers at Sylvania's national sales meeting to rise to the challenge of the new video phenomenon 94
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- Total housewares sales for 1979 rise 15.6%, well ahead of the year's inflation rate, NHMA finds 99
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Store Operations 69

Stephanie Shern, in her regular "Minding the Store" column, says advertising costs represent one of the largest single expenses facing stores. She advises retailers to carefully monitor four key areas to control these costs: The contract between the retailer and his ad agency; co-op ad arrangements with vendors; cash flow of ad expenses; and out-of-pocket ad production costs.

Maxine Jaffe analyzes the ways by which three Manhattan housewares boutiques solve the problem of displaying a profusion of merchandise in total floor space ranging from 1,000 to 1,500 sq. ft.

Coming In July

★ Major manufacturers offer their second-half outlook for electric and non-electric housewares.

★ Housewares "Trendings" columns analyze retail prospects.

★ Expanded NHMA Exposition product showcase.

From the Capital 4

Despite the settlement hammered out by the Administration and television importers, the issue of how accessible the U.S. market should be to Asian producers is sure to be a hot one in Washington this summer. Proponents of curbs on imports face an uphill battle.

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Merchandising's TOP 50

	Title	Last month's position	Months on chart
1.	"10"	N	1
2.	Superman	1	4
3.	Grease	3	3
4.	Blazing Saddles	4	3
5.	The Godfather	2	11
6.	M*A*S*H	8	20
7.	Saturday Night Fever	5	11
8.	Enter the Dragon	6	2
9.	The Godfather II	7	8
10.	Halloween	N	1
11.	Patton	17	20
12.	Sound of Music	13	15
13.	Butch Cassidy & the Sundance Kid	14	8
14.	Dirty Harry	9	3
15.	All the President's Men	12	3
16.	Heaven Can Wait	10	3
17.	Oh God!	11	2
18.	Silver Streak	19	3
19.	Wild Bunch	N	1
20.	The Graduate	29	17
21.	The In-Laws	16	2
22.	Foul Play	18	3
23.	Hooper	27	2
24.	The African Queen	31	11
25.	Midnight Express	N	1
26.	Barbarella	30	8
27.	Towering Inferno	N	1
28.	The Omen	N	1
29.	The Exorcist	15	3
30.	French Connection	44	20
31.	Deliverance	22	2
32.	Harold & Maude	21	4
33.	Hello Dolly	46	20
34.	The Adventures of Sherlock Holmes' Smarter Brother	36	6
35.	The King & I	39	20
36.	Chinatown	32	5
37.	The Longest Yard	23	5
38.	Marathon Man	24	7
39.	The Deep	26	4
40.	Tora! Tora! Tora!	34	20
41.	Looking For Mr. Goodbar	20	8
42.	The Night Of The Living Dead	25	12
43.	The Duchess & the Dirtwater Fox	49	7
44.	Emmanuelle	N	1
45.	Death Wish	35	5
46.	The Shootist	43	5
47.	The Lion In Winter	N	13
48.	Murder On The Orient Express	33	8
49.	Paper Chase	N	16
50.	Fantastic Voyage	N	17

Retail Opinion File

Prescriptions for survival?

Retailers wary about second half, cut open-to-buy

Retailers of consumer electronic products are something less than ebullient about second-half prospects as they approach the Summer CES, according to this month's Retail Opinion File.

Even among those dealers who are expecting sales gains in the next six months, their optimism is being tempered by the expressed need for caution: The bywords are "buy conservatively" and "watch your inventory."

As an Arizona operator of two stores says, "We're watching our inventory levels very carefully and are dropping some slow lines." Although his open-to-buy is unchanged from 1979, he says he will be dropping some hifi and VCR brands.

And while still on an upbeat note, a California audio dealer tells *Merchandising*, "Our projections for 1980 are optimistic, although most of the increases in dollar sales will come from video, personal electronics and some new categories."

Included in the product lines he will be taking on for the first time are electronic games, personal computers and calculators.

In sharp contrast to repsondents to last year's questionnaire, only 37% are now predicting an increase in their second-half sales, compared to 79% in 1979. Thirty-six percent are saying business will be unchanged, versus 16% a year ago; and 27% see declines, against a meager 5% before.

Explaining his pessimistic view, a Washington tv/stereo retailer declares, " We are expecting the second half to really shake the tree. The slowdown is already evident with major purchases."

While a West Coast appliance/tv dealer adds, "The first quarter was the pits. Layoffs and high gasoline prices are just too prevalent in our area."

Reflecting this more somber perspective of the next six months, inventory and open-to-buy positions have also changed from the ones described in last year's pre-Summer CES Retail Opinion File.

The status of current inventories is reported to be below average in a majority of the product grouping (with last year's comparable percentages in parentheses):

Autosound 30% (29%); color tv 40% (36%); compact stereo 44% (42%); hifi 41% (25%), and VCR—the only exception—42% (48%).

The above-average positions are autosound 18% (10%); color tv 17% (13%); compact stereo 6% (11%); hifi 9% (16%), and VCR 15% (13%).

As for open-to-buy, just 13% of the current respondents say they will be heavier than last June, whereas 47% held that position at that time. Eighty-seven percent report they are attending the show with their open-to-buy even to off compared to 53% in 1979.

Among the products being exhibited at the show, most retailers will be looking for hifi components (67% vs 52%), autosound (65% vs 50%), VCR (55% vs 61%), audio blank tape (54% vs 47%), video blank tape (51% vs. 63%), and audio accessories (51% vs. 41%).

As for those who intend to add new products, add new brands or drop old ones, changes are marginal compared with last year.

However, there is no denying that the mood of most retailers answering this month's questionnaire is much less optimistic than last year's. And many were quick to offer their prescriptions of how to avoid the pitfalls they see in the months ahead.

A Nebraska audio dealer says his store's strategy is to add projection tv and VCR brands, and adds, " We will go for six turns instead of the 4½ we did in '79. We're cutting the number of hifi lines, and on the ones we keep, we'll do more cherry-picking."

"We intend to maintain or increase gross sales with 15-25% less inventory. We plan to increase gross margin by using more packages and putting less emphasis on short-margin, high demand product," states a fellow dealer in New England.

"Bread-and-butter items only: This is no time to experiment," says an Iowa appliance/tv dealer, adding, "Don't lose good salesmen; you won't be able to replace them."

"Watch your cash flow," warns another.

And an electronics store owner in Minnesota offers, "We're going on a computer. Costs of floor planning and interest demand it."

Declares a Tennessee audio merchant: "We are committed to keeping our accounts payable as low as possible. Most of our buying is being done C.I.A., C.O.D. or pro forma."

While a New York appliance/tv dealer says, "I'm ordering for immediate need more often and in small quantities, rather than for the longer term."

"I'm minimizing buying, says the operator of a New Jersey music store. "It's time to live off my fat until conditions warrant expanding again."

But that good things can sometime come from tough situations is demonstrated by the Indiana dealer who comments, "although our sales are down drastically, our cost of doing business is also down and the store overall is in very good shape." ●

Questionnaire

What change are you expecting in sales for the next six months compared to the second half of 1979?

Up 5-10%	16%
Up 11-20%	12%
Up 21-30%	7%
Up over 30%	2%
Unchanged	36%
Down 5-10%	11%
Down 11-20%	12%
Down 21-30%	4%
Down over 30%	0%

What change do you expect in your open-to-buy position at CES time compared to last June?

Up 5-10%	4%
Up 11-20%	5%
Up 21-30%	2%
Up over 30%	2%
Unchanged	50%
Down 5-10%	10%
Down 11-20%	13%
Down 21-30%	9%
Down over 30%	5%

Which of the following types of products will you be looking for at the Summer CES?*

Audio Accessories	51%
Audio Blank Tape	54%
Autosound	65%
Calculators	24%
CB	16%
Compact Stereo	43%
Console Stereo	12%
Digital Watches	7%
Electronic Furniture	35%
Hifi Components	67%
Personal Computers	32%
Prerecorded Videocassettes	31%
Projection TV	39%
TV Games	27%
VCR	55%
Video Accessories	44%
Video Blank Tape	51%

**Adds up to more than 100% due to multiple answers.*

Do you expect to be taking on any product categories you do not currently carry?

Yes	47%
No	53%

If yes, which do you expect to be carrying for the first time?*

Audio Accessories	2%
Audio Blank Tape	4%
Autosound	5%
Calculators	3%
CB	0%
Compact Stereo	3%
Console Stereo	2%
Digital Watches	1%
Electronic Furniture	3%
Electronic Games	14%
Hifi Components	4%
Personal Computers	21%
Prerecorded Videocassettes	29%
Projection TV	23%
TV Games	14%
VCR	26%
Video Accessories	19%
Video Blank Tape	11%

**Adds up to more than 100% due to multiple answers.*

Among the product categories you now carry, do you plan to take on any new brands?

Yes	53%
No	47%

If yes, in which categories?*

Audio Accessories	9%
Audio Blank Tape	10%
Autosound	40%
Calculators	5%
CB	8%
Compact Stereo	14%
Console Stereo	3%
Digital Watches	4%
Electronic Furniture	14%
Electronic Games	11%
Hifi Components	38%
Personal Computers	11%
Prerecorded Videocassettes	5%
Projection TV	9%
TV Games	10%
VCR	17%
Video Accessories	11%
Video Blank Tape	19%

**Adds up to more than 100% due to multiple answers.*

Among the product categories you now carry, do you plan to drop any brands?

Yes	45%
No	55%

If yes, in which categories*

Audio Accessories	2%
Audio Blank Tape	8%
Autosound	33%
Calculators	11%
CB	18%
Compact Stereo	23%
Console Stereo	4%
Digital Watches	3%
Electronic Furniture	4%
Electronic Games	2%
Hifi Components	45%
Personal Computers	1%
Prerecorded Videocassettes	1%
Projection TV	6%
TV Games	4%
VCR	13%
Video Accessories	2%
Video Blank Tape	4

**Adds up to more than 100% due to multiple answers.*

What do you expect your inventory position will be at CES time for each of the following category groupings?

AUTOSOUND:	
Below Average	30%
Average	52%
Above Average	18%
COLOR TV:	
Below Average	40%
Average	43%
Above Average	17%
COMPACT STEREO:	
Below Average	44%
Average	50%
Above Average	6%
HIFI:	
Below Average	41%
Average	50%
Above Average	9%
VCR:	
Below Average	42%
Average	43%
Above Average	15%

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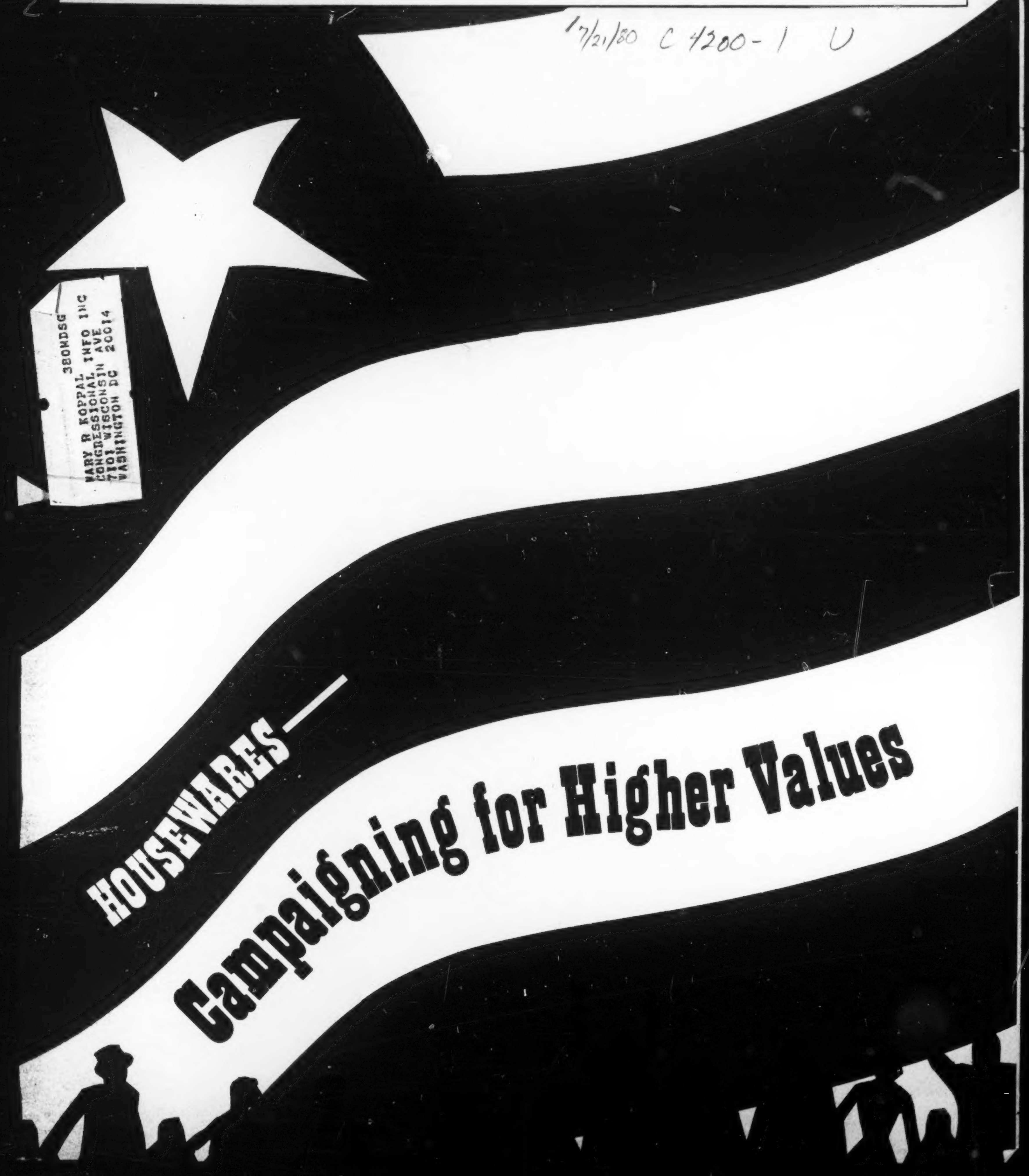

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HOUSEWARES—Campaigning for Higher Values

Formerly Merchandising Week

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52,000 RETAILERS

PUBLISHED FOR AN INDUSTRY WITH MORE THAN TODAY ON ITS MIND

JULY 1980

Merchandising
HOUSEWARES—
Campaigning for Higher Values

Housewares Overviews 21

Recent forecasts suggest there will be an upturn in the economy before the end of the year, justifying the confidence housewares producers have regarding fourth-quarter business.

The only question seems to be, to build—and by how much—or not to build inventory over orders. Manufacturers' answers vary, but each is confident he has found the right formula.

There are new products and, overall, availability looks excellent. Supplies of most raw materials are in good shape and, while costs have not dropped, producers are hopeful mid-year prices will hold.

Overviews were written by Lois A. Panosh, Jack Blood, Bill DeSiena, Eileen Delaney and Ron Schneiderman.

STORE OPERATIONS 64

Merchandising "shrinkage"—the euphemism for internal pilferage and shoplifting—has long been the bane of retailers.

In what seems to be a never-ending struggle with the problem, millions of dollars have been spent on elaborate security services, as well as expensive hardware ranging from closed-circuit tv to sophisticated electronic sensing devices. But retailers are finding ways other than technology to cope with shoplifting and employe theft as you'll read in this month's Store Operations feature.

Stephanie Shern, our "Minding the Store" columnist, offers some tips on reducing energy costs in stores.

close-up 43

Stanley C. Gault, Rubbermaid's new chief executive, has come home to Wooster, OH. In an exclusive interview, he tells Lois A. Panosh that while he plans no "dramatic and drastic changes ... there'll be variations on the theme" that has made the company successful. Productivity improvement is an area he'll emphasize.

Retail Opinion File 60

Response to this month's Retail Opinion File shows that housewares buyers' second-half outlook has dimmed substantially, especially when compared with the way they viewed their prospects a year ago. Open-to-buy positions for the balance of the year reflect this ebbing confidence. Only 22% of respondents are planning an increase in their open-to-buy for the next six months, versus the 55% who were of that opinion prior to last July's show. These buyers will be shopping the show very carefully.

Trendings 6

- Major appliance dealers find sales spotty, varying by product and section of the country.
- Video entertainment sales respond well to heavier promotions, but gross margins slip as a result.
- Audio/hifi industry still trying to get its act together, working harder to sell more.
- Personal electronics retailers poised for upswing carried by back-to-school promos.
- Electric housewares buyers ready fall campaigns, look to basics for best action.
- "Bright and shiny" non-electric housewares expected to carry second half.

Prerecorded Videocassette Report 80

New top feature and special interest programming, backed by new packaging and p-o-p materials and higher ad budgets, figure to boost dealers' previd sales substantially in the months ahead.

From the Capital 4

FTC plans rewrite of regulations governing what full-warranty manufacturers can require of consumers. Agency is concerned about how rules affect shoppers' choice among competing retailers of same brands; seeks dealer comments.

Happenings

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- Firestone Tire and J.L. Hudson discontinue major appliances as trend continues growing 73
- Roitenberg and Lewis see catalog showrooms less affected by recession 74
- DuMont label returns to tv market with nine-model limited-franchise line 75

Coming in August

- ★ ***Sixth annual Electronics Statistical & Marketing Report***
- ★ ***Hardware retailers ride crest of do-it-yourself wave.***
- ★ ***NHMA show coverage.***

CES Coverage 84

Videodisc—the hottest new consumer electronics product (even though it's perhaps the least available at the moment)—was the most talked about "new" thing at the CES last month as most retailers said they could hardly wait to get their hands on a system—any system—to sell.

Hifi action was a little calmer as manufacturers tried to help dealers with new promotional and dating programs.

Product Picture

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Housewares 44-59
Major Appliances 68

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Retail Opinion File

Housewares buyers expect softer second half, schedule cuts in open-to-buy positions

Although most housewares retailers have been reporting strong business for the first half of the year, their optimism has soured somewhat. Buyers' outlook for the second half has dimmed substantially, especially when compared with the way they viewed their prospects prior to last year's July NHMA National Housewares Exposition.

For example, 52% of the respondents to this month's Retail Opinion File said they expected sales gains for the final six months of the year, while 74% had indicated such increases last year. Furthermore, whereas in 1979, 22% of the retailers queried asserted their second-half increases were expected to exceed 15%, only 9% are currently that confident about their second-half business.

Also, 26% of the respondents thought their sales for the rest of the year would be unchanged from last year's equivalent period, while 17% made that prediction about 1979's second half.

As might be expected, open-to-buy positions in housewares for the balance of the year reflect this ebbing confidence. Only 22% of the retailers answering this poll are planning on a bigger open-to-buy than in 1979; this compares with 55% who were of that opinion before the start of last July's show.

As the buyer for an Illinois department store explained, "We are expecting a definite downturn in sales. The heavier stock on hand has reduced our open-to-buy substantially."

And an Oregon discounter added, "It's time to be very selective and lean. It's 'take orders' time."

But a California department store buyer described the dilemma many retailers are finding themselves in today when he said, "Our inclination is to drastically reduce all inventories and run sales. But you can't operate without inventory. It's a very tight rope we're walking on."

However, business for the first six months of 1980 has been better than many merchants had anticipated.

The owner of a housewares store in Michigan flatly stated, "We expect second-half sales to be near our first half, which was ahead 34%. I believe basics will do very well."

"We had a terrific year last year," said the operator of a housewares/hardware store, "and things look like they will be again this year."

While the merchandise manager for a North Carolina department store added, "We're planning for a 6% sales gain this year and we're keeping our stocks up to that level. By paying attention to our best sellers and lower markdowns, we should come out with more gross profit."

Another retailer with a positive outlook, the buyer for a Wisconsin department store, commented: "We are taking an aggressive stand on housewares; it's still our main traffic builder." And he added, "We will be looking for more co-op dollars to back this position."

But even among the most optimistic, retailers were maintaining a cautious attitude. As the operator of an Ohio housewares/hardware store commented, "We're keeping an optimistic but wary eye on the rest of the year."

Another indication of caution is the fact that only 18% of the respondents to *Merchandising's* questionnaire were planning to take on new product categories at the show. This compares with the 29% who were so minded prior to last July's show.

That most retailers were trying to maintain a status quo was also evident from the answers to the question of whether they planned to drop any of the product categories now carried. Eighty-one percent said no, and a very similar 82% were negative on this point last year.

Nevertheless, some buyers weren't quite that positive. An Illinois appliance store manager had this to say: "Discount houses are killing kitchen electrics. We can't even buy items for what they are selling them at, so we're eliminating them." While a discounter in Kentucky moaned, "The only things that look good are food canning and freezer products."

But the majority of retailers answering the Retail Opinion File indicated they would be shopping the show thoroughly—albeit carefully. The focus of most attention was expected to be on non-stick cookware and food processors, with 72% of the respondents listing both on their shopping lists. Tied for second place were toaster-ovens and blenders, according to 68% of those replying. And coffeemakers garnered 67% of the votes for third place.

Hidden in the tabulation of buyers' "shopping lists" was the surprise that non-stick cookware, at 72%, and coffeemakers, at 67%, both registered a whopping 23% gain over last July's balloting. Although food processors, blenders and toaster-ovens also charted increases, they were by 8%, 2% and 2%, respectively.

Microwave cookware experienced the largest decline in popularity, according to the poll, with 58% of the respondents including it on their lists for a 12% drop. The next biggest loser was home security devices which slipped 11 points to 42%.

A few retailers gave a political overtone to their survey responses. Said the owner of a specialty store in Mississippi, "Sales are down and so is our inventory. This slower business is caused by the 'Carter economy'."

But the operator of a housewares store in New Jersey was a bit more upbeat when he pointed out, "We're holding back, awaiting the results of the Presidential elections. We are in a Republican stronghold and a Reagan victory may well mean a post-election surge in business."

However, for most of the housewares industry it won't be necessary to wait for November; the ballots will be cast and the votes tallied at this month's show time. ●

Questionnaire

What changes are you expecting in your sales for the next six months compared with the second half of 1979?

Up 1-5%	9%
Up 6-10%	21%
Up 11-15%	13%
Up over 15%	9%
Unchanged	26%
Down 1-5%	4%
Down 6-10%	9%
Down 11-15%	3%
Down over 15%	6%

What change do you expect in your open-to-buy position at NHMA Show time compared to last July?

Up 1-5%	4%
Up 6-10%	12%
Up 11-15%	2%
Up over 15%	4%
Unchanged	49%
Down 1-5%	2%
Down 6-10%	14%
Down 11-15%	5%
Down over 15%	8%

What kind of products will you be looking for at the show?*

Blenders	68%
Clocks	63%
Coffeemakers	67%
Compact Curling Irons	44%
Compact Hair Dryers	56%
Convection Ovens	56%
Curling Brushes	47%
Food Processors	72%
Home Security Devices	42%
Hot Air Cornpoppers	61%
Lightweight Self-cleaning Irons	58%
Microwave Cookware	58%
Mixers	61%
Non-Stick Cookware	72%
Other Cookware	63%
Plastic Housewares	53%
Scales	53%
Tableware	56%
Toaster Ovens	68%
Vacuum Cleaners	37%

**Adds up to more than 100% due to multiple answers*

Do you expect to take on for the second half any product categories you do not currently carry?

Yes	18%
No	82%

Do you expect to drop any product categories you now carry?

Yes	19%
No	81%

What do you expect your inventory position to be at show time for each of the following categories?

AIR TREATMENT	
Below Average	41%
Average	52%
Above Average	7%
CLOCKS	
Below Average	22%
Average	64%
Above Average	14%
COOKWARE	
Below Average	17%
Average	65%
Above Average	18%
FLOOR CARE	
Below Average	23%
Average	61%
Above Average	16%
HOME SECURITY	
Below Average	30%
Average	56%
Above Average	14%
KITCHEN ELECTRICS	
Below Average	19%
Average	67%
Above Average	14%
NON-ELECTRICS	
Below Average	17%
Average	69%
Above Average	14%
PERSONAL CARE	
Below Average	26%
Average	61%
Above Average	13%

Merchandising's TOP 50

	Last month's position	Months on chart
1. Superman	2	5
2. "10"	1	2
3. Grease	3	4
4. The Godfather	5	12
5. Saturday Night Fever	7	12
6. M*A*S*H	6	21
7. Enter the Dragon	8	3
8. Blazing Saddles	4	4
9. Muppet Movie	N	1
10. The Godfather II	9	9
11. Emmanuelle	44	2
12. Halloween	10	2
13. Animal House	N	1
14. Patton	11	21
15. Dirty Harry	14	4
16. Norma Rae	N	1
17. Sound of Music	12	16
18. Heaven Can Wait	16	4
19. Wild Bunch	19	2
20. Silver Streak	18	4
21. The Graduate	20	18
22. Midnight Express	25	2
23. Butch Cassidy & the Sundance Kid	13	9
24. Tora! Tora! Tora!	40	21
25. All the President's Men	15	4
26. The In-Laws	21	3
27. The Omen	28	2
28. French Connection	30	21
29. Hooper	23	3
30. Smokey & the Bandit	N	1
31. The African Queen	24	12
32. Mr. Bill	N	1
33. Looking for Mr. Goodbar	41	9
34. Barbarella	26	9
35. The Exorcist	29	4
36. Deliverance	31	3
37. Marathon Man	38	8
38. Hello Dolly	33	21
39. Harold & Maude	32	5
40. The Deep	39	5
41. Oh God!	17	3
42. The Adventures of Sherlock Holmes' Smarter Brother	34	7
43. Jaws	N	1
44. Foul Play	22	4
45. Deer Hunter	N	1
46. Chinatown	36	
47. Murder on the Orient Express	48	9
48. Carnal Knowledge	N	17
49. The King & I	35	21
50. Death Wish	45	6

A GRALLA PUBLICATION

AUGUST 1980

Merchandising

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6th Annual Electronics Statistical & Marketing Report

NHMA Buyers Call The Shots

Hardware Retailers Ride D-I-Y Wave

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52,000 RETAILERS

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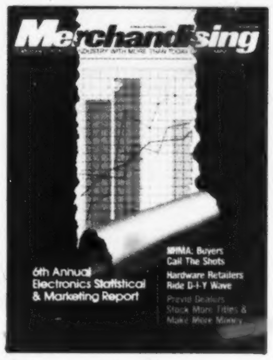
AUGUST 1980

6th Annual Electronics Statistical & Marketing Report


Merchandising
NHMA: Buyers Call The Shots
Hardware Retailers Ride D-I-Y Wave
6th Annual Electronics Statistical & Marketing Report

There's a lot more good news than bad in this year's report. Most of the good news is in video and personal electronics; there's little to cheer about in audio and hifi—with few exceptions.

Color tv is running at a better than 9.6 million pace, but most manufacturers are making cautious projections for the year overall. Healthy increases are expected in VCR sales. However, we've revised our hifi unit sales projections downward. As for personal electronics, every category but one will be up.

17

STORE OPERATIONS 42

- Retailers who operate their own truck fleets may turn empty back-haul trips into potential profit-makers under the new Motor Carrier Act.
- J.C.Penney's energy-conservation program is expected to cut consumption by 55% within two years; chain offers management guide to other stores. GE introduces new metal halide lamp, said to reduce energy use 35% in sales areas.
- "Minding the Store" columnist Stephanie Shern, reporting on recent store security survey, says more low-shrinkage retailers rely on people rather than machines, while reverse is true among stores with high shrinkage. Study reveals other unexpected findings.

NHMA Coverage 70

Buyers in Chicago last month were concentrating on "proven winners," ordering mostly basics from reliable suppliers because they want on-time deliveries. Several fall promotions offered by venders to whet buyer appetites—mostly rebates—but suppliers seemed to be holding off with holiday programs. Other highlights: The formation of the new Toastmaster, Inc.; Kraft sells Aluminum Specialty Co.; Toshiba expands its electric housewares lines.

close-up

Steve Smith returns to Sunbeam's headquarters as president of the Appliance Co. With the corporation for 26 years, he began in the general counsel's office, moved into marketing and then management. According to interviewer Jack Blood, "Smith's enthusiasm boils over as he looks to the electric housewares business."

From the Capital 4

FCC reverses itself on recent AM stereo ruling, reopens competition to four other non-compatible systems, as well as original winner from Magnavox. Separately, agency postpones action on 25 more CB channels.

Retail Opinion File 29

Electronics dealers vote 57% to 43% that the capacitance system will be the videodisc sweepstakes winner over the optical system, according to this month's poll. Also, many retailers believe advent of the disc will be a plus for VCR business.

Prerecorded Videocassette Report 46

Prerecorded videocassette dealers are stocking more titles and getting desired results—higher sales and profits. A spot check of several retailers around the country shows a growing commitment to the market. Also, see *Merchandising's* Top 50.

Pre-Hardware Show 30

Hardware retailers are riding the crest of a do-it-yourself wave. Despite the recession, sales for the first half are reported up as much as 25%. In fact, the silver lining in the economic cloud hovering over the country is the activity in products ranging from complete kitchen and bathroom remodeling kits to paints and portable power tools. Buyers agree that people have the time and motivation—it's less expensive—to "do it yourself."

Coming in September

★ ***Sixth Annual Housewares Statistical & Marketing Report***
★ ***Retailers position themselves in housewares and home electronics for the Christmas season.***

Trendings 6

- Electronics furniture is a big help in selling hifi components packages, audio/hifi dealers note.
- Color tv and VCR sales are holding up surprisingly well, staying ahead of last year's figures.
- Direct mail, in-store demos are being added to heavier-than-usual personal electronics promotional activity.
- Non-electric housewares buyers are busy putting finishing touches on pre-Labor Day promotions, say summer is no time to relax.
- Heat wave spurs room air conditioner sales, warms up other major appliance areas.
- Electric housewares merchants predict better-than-expected August business.

Happenings

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- Goodyear to carry Kraco autosound exclusively in all its stores........................63
- Energy labeling plays a big part in Sears' new fall catalog, with operating cost data for each of its washers, dryers, refrigerators and freezers—as well as the industry cost spread........................64

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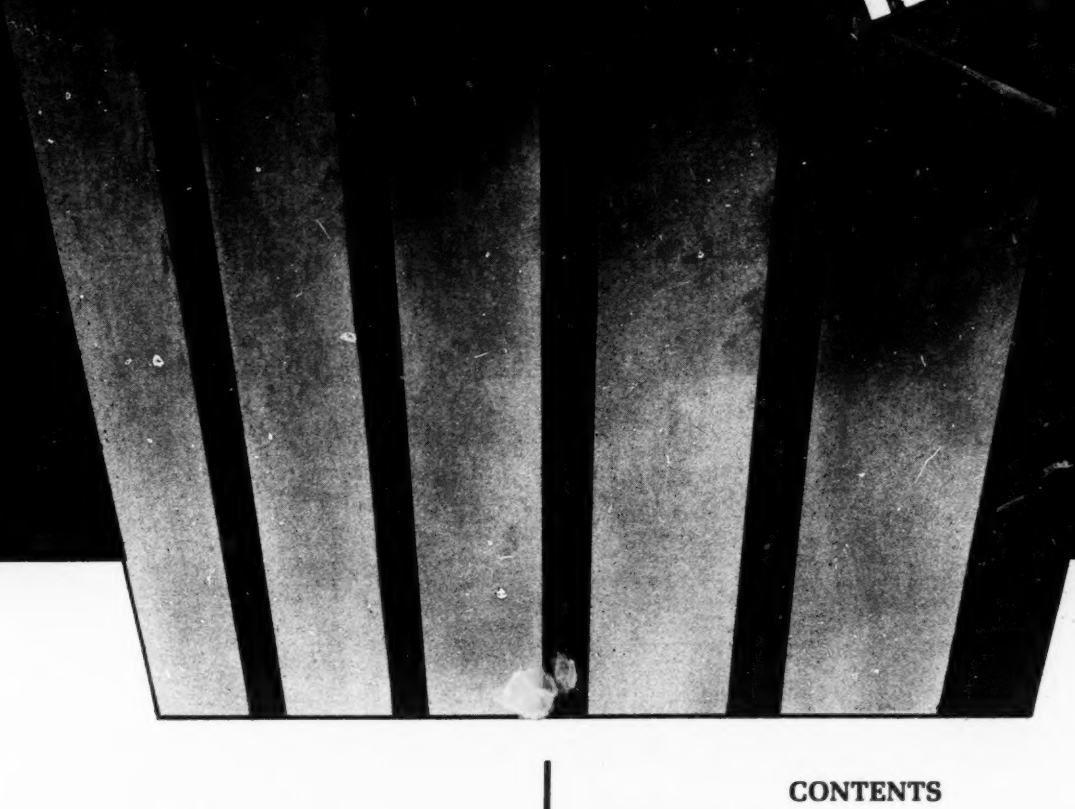
Merchandising
AUGUST 1980

6TH ANNUAL ELECTRONICS STATISTICAL & MARKETING REPORT



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AUDIO/ TAPE

Analysis

Portable tape tops other categories

Portable tape recorders are one of the few truly bright spots in the total audio/hifi picture this year. Sales are strong enough in cassette and microcassette models to weather the rapid decline in popularity of 8-track players and recorders.

Overall, the portable tape recorder category is expected to grow about 4% this year over 1979 (total factory unit sales).

Cassette recorders will show some growth (up about 3% in unit sales), but the big hit comes from cassette/radio combos, up a projected 13% this year, and microcassette recorders, expected to show a 21% increase in factory unit sales this year over 1979.

Much of the growth in the cassette combo models is attributable to several things, including the greater awareness of the product, the variety of models on the market, and the product value/price relationship. Most consumers, manufacturers believe, are convinced they're getting a lot of product for the money.

Microcassette performance improved

In microcassettes, much of the boost in sales has to do with product awareness and improved performance. At one time strictly a commercial product, microcassettes are now very popular with students who shun notetaking and sportsmen, among others.

It's likely that the micro tape format could grow at an even faster rate with improved electronics and longer playing times, which will take them into car stereo and home tape deck applications.

Blank audio tape, with the exception of open reel and 8-track, continues to make good sales gains.

While metal particle tape still has a long ways to go to make any kind of a dent in the marketplace, unit sales should double this year.

Meanwhile, premium cassettes continue to show definite strength with sales projected to increase by 16% this year over '79. In fact, the strength of the entire cassette market shows up in the sales of promotional product, which is also expected to be up, 7% over last year.

In terms of the sale of promotional tape by type of retail outlet, very little change is anticipated this year. However, some change is expected in premium tape. Audio/hifi specialty stores, for example, will get a little less of the business as others—namely, dis-

(Continued on page 20)

COMPACT SYSTEM TOTAL FACTORY SALES

	1980	1979	% of Change
Compact Systems, total	3,937	4,464	−12
Cassette Recorder Bimode	65	73	−11
Cassette Record Trimode	1,631	1,235	+ 32
8-Tr. Player Bimode	214	383	−44
8-Tr. Player Trimode	525	777	−32
8-Tr. Recorder Bimode	260	417	−38
8-Tr. Recorder Trimode	832	1,188	−30
Changer Bimode	232	268	−13
Quadmode	178	123	+ 45

(final 000's omitted)

COMPACT SYSTEM SALES BY TYPE OF OUTLET

	1980	1979
Appliance/TV store	15%	14%
Audio/Hifi store	12%	12%
Catalog Chain (Sears, Penney, etc.)	12%	12%
Catalog Showroom	11%	11%
Department store	20%	22%
Discount store	25%	24%
Drug store	2%	2%
Electronic Specialty store (Radio Shack, etc.)	2%	2%
Other	1%	1%

PORTABLE TAPE RECORDER TOTAL FACTORY SALES

	1980	1979	% of Change
Portable Tape Recorders, total	18,192	17,532	+ 4
Cassette Recorders	12,618	12,250	+ 3
Cassette/Raido Combos	4,502	3,967	+ 13
8-Tr. Players	842	1,100	−23
8-Tr. Recorders	39	57	−32
Microcassette Recorders	191	158	+ 21

(final 000's omitted)

PORTABLE TAPE RECORDER SALES BY TYPE OF OUTLET

	1980	1979
Appliance/TV store	17%	17%
Audio/Hifi store	5%	5%
Catalog Chain (Sears, Penney, etc.)	5%	5%
Catalog Showroom	18%	17%
Department store	17%	18%
Discount store	26%	25%
Drug store	3%	3%
Other	9%	10%

CONSOLE STEREO TOTAL FACTORY SALES

	1980	1979	% of Change
Console Stereo	498	540	−8

(final 000's omitted)

CONSOLE STEREO SALES BY TYPE OF OUTLET

	1980	1979
Appliance/TV store	26%	24%
Audio/Hifi store	1%	—
Catalog Chain (Sears, Penney, etc.)	18%	24%
Catalog Showroom	2%	3%
Department store	18%	21%
Discount store	17%	10%
Furniture store	14%	12%
Other	4%	6%

RADIO TOTAL FACTORY SALES

	1980	1979	% of Change
Radios, total	25,757	28,550	−10
By Type:			
Table	989	1,250	−21
Portable	15,215	17,100	−11
Clock	9,553	10,200	−6
By Format:			
AM Only	4,553	5,710	−20
FM & AM/FM	21,204	22,840	−7
By Power Source:			
Battery	7,499	8,400	−11
Plug-In	10,445	11,700	−11
AC/DC	7,813	8,450	−8
Specialty Types:			
Multibands	6,692	7,200	−7
Weather-Bands	910	950	−4
Scanners	768	920	−17
Digital Clock (total)	7,659	7,600	+ 1
Electronic Display	5,474	4,700	+ 16
Mechanical Leaf Display	2,185	2,900	−25
Citizens Band	1,305	1,590	−18
Base Station	140	190	−26
Mobile	1,165	1,400	−17

(final 000's omitted)

RADIO SALES BY TYPE OF OUTLET

	1980	1979
Appliance/TV store	16%	24%
Audio/Hifi store	4%	—
Catalog Chain (Sears, Penney, etc.)	12%	14%
Catalog Showroom	15%	15%
Department store	10%	11%
Discount store	29%	26%
Drug store	3%	1%
Furniture store	1%	1%
Jewelry store	1%	1%
Other	9%	7%

BLANK TAPE TOTAL FACTORY SALES

	1980	1979	% of Change
Blank Audio Tape, total	255,612	234,786	+ 9
Cassette (total)	228,445	203,986	+ 12
Promotional	101,266	94,790	+ 7
Premium	126,728	108,970	+ 16
Metal Particle	451	226	+ 100
Open Reel (total)	8,604	9,200	–6
Promotional	1,331	1,500	–11
Premium*	7,273	7,700	–6
8-Track (total)	18,563	21,600	–14
Promotional	10,628	12,950	–18
Premium*	7,935	8,650	–8

(final 000's omitted)

* *High coercivity, cobalt doped, chrome & ferric chrome, etc.*

PROMOTIONAL TAPE SALES BY TYPE OF OUTLET

	1980	1979
Appliance/TV store	4%	4%
Audio/Hifi store	10%	11%
Camera store	3%	3%
Catalog Chain (Sears, Penney, etc.)	11%	10%
Catalog Showroom	6%	5%
Department store	7%	7%
Discount store	37%	38%
Drug store	8%	8%
Electronic Specialty store (Radio Shack, etc.)	6%	6%
Record store	6%	6%
Other	2%	2%

PREMIUM TAPE SALES BY TYPE OF OUTLET**

	1980	1979
Appliance/TV store	5%	4%
Audio/Hifi store	41%	46%
Camera store	4%	3%
Catalog Chain (Sears, Penney, etc.)	7%	6%
Catalog Showroom	7%	5%
Department store	10%	9%
Discount store	16%	15%
Drug store	3%	3%
Record store	6%	8%
Other	1%	1%

** *High coercivity, cobalt doped, chrome & ferric chrome, metal, etc.*

• *Continued from page 18*

counters, department stores, catalog showrooms, and catalog chains (such as Sears) pick up sales.

Cassette trimodes, quadmodes ahead

Compact stereo sales will be off this year (down 12% overall), but there are two bright spots. One is cassette trimode models, which include receiver, turntable and cassette player, and the relatively new quadmode with one additional feature—an 8-track player.

Quadmode sales are projected at 178,000 units this year, a 45% increase over last year. The product is designed for consumers who own 8-track libraries, which they continue to enjoy, but who want to begin making the transition to cassette. Of course, they have the added receiver and turntable features.

Digital clocks only radio gainers

Radio sales will be off this year, except for digital clock models, which will show slight growth overall. Most digital clock sales activity will be in electronic display models (up 16% this year) while mechanical leaf display models will suffer (down an estimated 25% this year).

By format, the biggest drop in sales will come in AM-only models. Most people today opt for FM and AM/FM radios.

AC/DC models most popular

By power source, the AC/DC radios are more popular than battery only or plug-in only radios. But even the AC/DC models won't sell as well this year as they did in '79.

Specialty type radios are off, too. This is especially true of scanners.

CB radio sales will be off a projected 18% this year with base station models hit hardest.

As for console stereo, an 8% drop in factory unit sales is projected. Moreover, sales of this category are shifting away from the catalog chains (such as Sears and Penney) and department stores to discount and furniture stores. •

AUTOSOUND

TOTAL FACTORY SALES

	1980	1979	% of Change
Autosound, total	18,866	18,630	+ 1
ID Cassette/Radio Combo	2,602	2,200	+ 18
ID 8-Track/Radio Combo	2,125	2,500	–15
UD Cassette Player	708	775	–9
UD Cassette/Radio Combo	530	605	–12
UD 8-Track Player	921	1,300	–29
UD 8-Track/Radio Combo	300	500	–40
Car Speakers (pairs)	10,611	9,500	+ 12
Radios only (retrofit)	1,069	1,250	–14

(final 000's omitted)

AUTOSOUND SALES BY RETAIL PRICE RANGE

	1980	1979
$50 and under	3%	5%
$51-$90	16%	15%
$91-$130	25%	21%
$131-$180	32%	32%
$181-$250	11%	11%
$251-$350	8%	9%
Over $350	5%	7%

Analysis

In-dash combos show bright spot

There isn't much to blow your horn about this year in autosound in terms of unit factory sales—unless you've been gaining market share.

AUTOSOUND SALES BY TYPE OF OUTLET

	1980	1979
Appliance/TV store	4%	4%
Audio/Hifi store	16%	15%
Automotive Supply	14%	15%
Car Stereo Specialty store	14%	13%
Catalog Chain (Sears, Penney, etc.)	12%	12%
Catalog Showroom	4%	3%
Department store	7%	9%
Discount store	15%	12%
Electronic Specialty store (Radio Shack, etc.)	10%	10%
New Car Dealer	4%	5%
Other	0%	2%

Total unit sales are expected to be up only slightly over 1979 and that may be considered impressive considering that the entire category is being pulled down by a tremendous slackening in sales of underdash models in general and 8-track players specifically.

In-dash cassette combos grow

Hardest hit are the underdash 8-track/radio combination models. They're losing ground very rapidly to the one autosound electronics category that continues to do well—in-dash cassette/radio combos. Indeed, the latter product is expected to grow in sales this year by 18% over 1979, 2,602,000 units.

By comparison, the underdash 8-track combo is likely to drop off to 300,000 units sold this year, down a heady 40% from last year's sales levels.

Radios for retrofitting will also be off in sales this year by some 14%, to 1,069,000 units.

Car speaker gains

Car speakers are a bright spot, however. *Merchandising* is projecting an increase in car speakers of 12%, up to 10,611,000 pairs.

Sales of car speakers in dollars, although not projected here, may be off somewhat because of the trend in certain areas of the country to smaller speakers

(Continued on page 22)

• *Continued from page 20*

being installed in the smaller, more energy-efficient cars.

Reasons given for the big improvement in sales in in-dash cassette/radio combo models are their strong, often highly automated features and the fact that so many consumers are switching over from 8-track to cassettes. The home taping phenomenon has never been stronger and the prerecorded audio cassette market is growing rapidly—both factors contributing to the ID cassette gains.

See little trading up

There's little fluctuation in autosound sales by retail price range. However, a slight increase in sales is projected in the $91-$130 product area. Despite much talk earlier this year about consumers trading up—buying higher ticket car stereo systems than ever before—this is not reflected in the data collected by *Merchandising* from autosound manufacturers and importers.

Sales in the mid-priced ranges have pretty much flattened out with products in the lowest and highest ends dropping off a few percentage points.

Discounters increase market share

There is little change in autosound sales by type of retail outlet. With very few exceptions, just about every type of car stereo retailer has held on to his share. Only discount stores made any real headway this year, according to projections—picking up some market share over 1979. •

HIGH FIDELITY

Analysis

TOTAL FACTORY SALES

	1980	1979	% of Change
Components, total	14,869	14,687*	+ 1
Amps (incl. integrated)	207	300	–31
Cartridges (excl. OEM)	3,570	3,500	+ 2
Equalizers	129	125	+ 3
Headphones	2,816	2,775	+ 1
Pre-Amps	56	60	–7
Receivers	1,452	1,450	N.C.
Speakers (excl. OEM)	3,918	3,850	+ 2
Tuners	186	194*	–4
Turntables (excl. OEM)	2,535	2,433	+ 4

** Revised* *(final 000's omitted)*

SYSTEMS: % OF RETAIL SALES

1980	1979
50	51

SYSTEM SALES BY RETAIL PRICE RANGE

	1980	1979
$200-$349	21%	28%
$350-$499	34%	32%
$500-$749	28%	23%
$750-$1,000	12%	11%
Over $1,000	5%	6%

RECEIVER SALES BY WATTAGE

	1980	1979
10-20 Watts	20%	23%
21-40 Watts	38%	37%
41-100 Watts	38%	35%
Over 100 Watts	4%	5%

Upgrading sparks modest increases

Projections of unit factory sales of component high fidelity products has been revised downward by *Merchandising* from figures published earlier this year to reflect lower sales by industry suppliers.

Those areas of growth—and there are few—would seem to indicate some strength, not so much in the sale of new systems, but in systems upgrading by current hifi owners. Small unit sales increases over last year are being reported by manufacturers in cartridges, equalizers, speakers and turntables.

Overall, a 1% increase in hifi component sales is projected for 1980 over 1979.

$500-$749 range doing best

Some trends are noteworthy. For example, suppliers are reporting improved sales levels in systems priced from $350-$1,000, with most of the action in the $500-$749 area.

In receiver sales by wattage, hifi buyers seem to be trading up somewhat. A few more sales are falling into the 21-100 watts area, with a slight dropping off above and below.

Also, in turntables, single-play models are getting a bigger share in factory sales and presumably at retail, at the expense of multi-play units.

As for component sales by type of retail outlet, department stores and audio/hifi specialty stores picked up some market share while the hifi salon dropped about four points.

Open reel up slightly

Not too surprisingly, in tape decks, 8-track models are in a decline (off a projected 14% this year compared with 1979, to 62,000 units), with very slight growth anticipated for open reel. At the same time, very little growth is expected in cassette deck sales this year.

Few manufacturers agreed on amplifier (including integrated) sales for this year, except to indicate that they would be down significantly.

Headphone sales are expected to hold generally firm in 1980 compared with '79. •

TURNTABLE SALES BY TYPE

	1980	1979
Single-Play	60%	52%
Multi-Play	40%	48%

COMPONENT SALES BY TYPE OF OUTLET

	1980	1979
Appliance/TV store	8%	9%
Audio/Hifi store	37%	34%
Catalog Chain (Sears, Penney, etc.)	20%	19%
Catalog Showroom	7%	7%
Department store	9%	5%
Discount store	5%	4%
Electronic Specialty store (Radio Shack, etc.)	6%	8%
Hifi Salon	8%	12%
Other	0%	2%

TAPE DECK TOTAL FACTORY SALES

	1980	1979	% of Change
Tape Decks, total	679	675	+ 1
Cassette	507	495	+ 2
8-Track	62	72	–14
Open Reel	110	108	+ 2

(final 000's omitted)

PERSONAL ELECTRONICS

Analysis

CALCULATOR TOTAL FACTORY SALES

	1980	1979	% of Change
Calculators, total	25,994	25,380*	+ 2
Hand-Held (total)	21,602	21,317	+ 1
Mini-Card	2,625	2,598	+ 1
Printer	665	573	+ 16
Programmable	91	82	+ 11
Other	18,221	18,064	+ 1
Desktop (total)	4,392	4,063*	+ 8
Display only	956	946	+ 1
Printer only	1,202	1,106*	+ 9
Printer/Display	2,234	2,011*	+ 11

** Revised*

(final 000's omitted)

CALCULATOR SALES BY TYPE OF OUTLET

	1980	1979
Appliance/TV store	4%	5%
Book store	1%	1%
Catalog Chain (Sears, Penney, etc.)	20%	23%
Catalog Showroom	12%	—
Department store	16%	21%
Discount store	30%	32%
Electronics Specialty store (Radio Shack, etc.)	4%	5%
Office Supply store	9%	9%
Other	4%	4%

DIGITAL WATCH TOTAL FACTORY SALES

	1980	1979	% of Change
Digital Watches, total	22,000	19,717	+ 12
LED (total)	1,398	2,967	−53
Men's	1,186	2,367	−50
Women's	212	600	−65
LCD (total)	20,602	16,750	+ 23
Men's	13,618	11,750	+ 16
Women's	6,984	5,000	+ 40

(final 000's omitted)

DIGITAL WATCH SALES BY TYPE OF OUTLET

	1980	1979
Catalog Chain (Sears, Penney, etc.)	20%	20%
Catalog Showroom	16%	—
Department store	23%	22%
Discount store	24%	30%
Drug store	6%	8%
Jewelry store	11%	15%
Other	0%	5%

Gains predicted in most products

Every personal electronics category but one—radar detectors—is expected to register higher factory unit sales this year over 1979.

Not suprisingly, personal computers and electronic games are experiencing the most dynamic growth in 1980. Both products are relatively new to the personal electronics market and have in some way suffered growing pains. But their success in the marketplace as healthy and viable consumer electronic products now seems clear.

Overall, *Merchandising* is projecting a 43% increase in electronic games, up to 23,000,000 units with most of the action going to hand-held models.

Although manufacturers have tended to not talk so much about chip shortages in recent months, their higher projections of unit sales of electronic games earlier this year would seem to indicate that some shortages might be anticipated. Meanwhile, manufacturers and some retailers have been stocking up in anticipation of a busy Christmas.

Changes in terms of where electronic games are sold are actually insignificant from last year.

Computer market growing rapidly

The personal computer story is interesting in that the market is growing fairly rapidly, there are quite a few new products and the price range of many of these new products is expanding both upwards and downwards. Also, there's a very noticeable shift in where personal computers are being sold.

Computer specialty stores continue to get most of the business, but electronic specialty stores, particularly Radio Shack, which has gained a major market share foothold in this business, has almost doubled its share of personal computer sales by type of outlet. Others have made very slight gains, mainly at the expense of hobby shops, many of which have set up special computer departments.

In calculators, the most notable change is in desktop models. *Merchandising* has revised its projections from earlier this year to more accurately reflect the growth of printer/display models in sales to consumers over the only slightly lower priced printer-only models. The printer-only unit continues to sell

(Continued on page 26)

LANGUAGE TRANSLATOR TOTAL FACTORY SALES

	1980	1979	% of Change
Language Translators	151	140	+ 8

(final 000's omitted)

PERSONAL COMPUTER TOTAL FACTORY SALES

	1980	1979	% of Change
Personal Computers	366	246	+ 49

(final 000's omitted)

PERSONAL COMPUTER SALES BY TYPE OF OUTLET

	1980	1979
Appliance/TV store	5%	4%
Audio/Hifi store	4%	3%
Catalog Chain (Sears, Penney, etc.)	5%	2%
Computer Specialty store	43%	48%
Department store	6%	5%
Discount store	2%	—
Electronic Specialty store (Radio Shack, etc.)	20%	12%
Hobby Shop	15%	26%

USES: % OF RETAIL SALES

	1980	1979
Business/Professional	53	49
Personal/Home	31	37
School/Educational	16	14

PERSONAL COMPUTER SALES BY RETAIL PRICE RANGE

	1980	1979
Under $500	8%	—
$500-$800	35%	68%
$801-$1,000	19%	14%
$1,001-$1,500	25%	10%
$1,501-$2,000	8%	7%
Over $2,000	5%	1%

• *Continued from page 24*

well, a number of suppliers report, mainly to business applications where users are comfortable with the display-less model.

As for sales by type of outlet, 1980 projections have been adjusted to indicate the market share of catalog showrooms, which weren't included in the magazine's 1979 statistical report.

LED watches drop substantially

The most noticeable change in digital watches is in the huge drop in the sale of LED display models. Sales of these watches will be off a projected 53% this year, while all LCD models—men's and women's—are expected to increase in unit sales by 23%. Although more than twice as many men's digitals sell than women's, the women's digital models will be up about 40% in unit sales in 1980 over '79.

Again, in digital watches, revised data indicates that catalog showrooms hold a significant share of sales in this category.

Advanced phones sell well

Telephones, particularly the high-end so-called advanced electronic models, are selling well, too. A 47% increase in unit sales is projected in this type of phone for calendar 1980. Overall, telephone sales are expected to climb 11% this year.

Phone answerer sales are riding a growth of new product introductions in a broader range of prices. A 29% increase in unit factory sales is projected for this year.

Language translators, still a very new product category, should grow 8%, up to 151,000 unit sales this year.

The only flatness in personal electronics is in radar detectors where growth this year will be minimal. •

TELEPHONE & PHONE ANSWERER TOTAL FACTORY SALES

	1980		% of 1979
Telephones, total	2,325	2,100	+ 11
Standard	1,115	994	+ 12
Decorator	998	962	+ 4
Advanced	212	144	/47
Phone Answerers	640	495	+ 29

(final 000's omitted)

TELEPHONE SALES BY TYPE OF OUTLET

	1980	1979
Appliance/TV store	4%	5%
Audio/Hifi store	3%	4%
Catalog Chain (Sears, Penney, etc.)	15%	18%
Catalog Showroom	12%	9%
Department store	20%	18%
Discount store	20%	20%
Phone Specialty store	18%	16%
Other	8%	10%

PHONE ANSWERER SALES BY TYPE OF OUTLET

	1980	1979
Appliance/TV store	2%	2%
Audio/Hifi store	2%	4%
Catalog Chain (Sears, Penney, etc.)	18%	17%
Catalog Showroom	8%	9%
Department store	33%	32%
Discount store	28%	27%
Office Supply	2%	2%
Phone Specialty store	6%	6%
Other	1%	1%

RADAR DETECTOR TOTAL FACTORY SALES

	1980	1979	% of Change
Radar Detectors	612	610	N.C.

(final 000's omitted)

ELECTRONIC GAME TOTAL FACTORY SALES

	1980	1979	% of Change
Electronic Games, total	23,000	16,083	+ 43
Board	18,400	12,900	+ 43
Hand-Held	4,600	3,183	+ 45

(final 000's omitted)

RADAR DETECTOR SALES BY TYPE OF OUTLET

	1980	1979
Appliance/TV	1%	1%
Automotive Supply	21%	22%
Catalog Chain (Sears, Penney, etc.)	7%	6%
Catalog Showroom	11%	9%
CB Specialty store	10%	10%
Department store	3%	4%
Discount store	22%	21%
Truck Stop	18%	19%
Other	7%	8%

ELECTRONIC GAME SALES BY TYPE OF OUTLET

	1980	1979
Book store	1%	1%
Catalog Chain (Sears, Penney, etc.)	13%	13%
Catalog Showroom	13%	12%
Department store	11%	10%
Discount store	40%	39%
Electronics Specialty store (Radio Shack, etc.)	3%	4%
Hobby Shop	1%	2%
Toy store	18%	19%

VIDEO

Analysis

Cautious forecast for color tv sales

Despite color tv sales running at a better than 9.6 million unit annualized rate during the first six months of the year, most manufacturers are making cautious projections for this year overall.

Actually, a 6% drop in factory unit sales is expected this year compared to 1979, down to about 9.2 million units.

Specifically, the 9-in. and under and 16- and 17-in. color models will be essentially flat in sales this year, as will 23-in. and 25-in. units overall.

Some growth is seen in the 25-in. table model and 23-in. console and combo sets.

Remotes still showing growth

There's a very definite growth in the sale of remote control color sets; up to 26% of the color models sold this year will be remotes compared with 21% last year.

Black-and-white model sales will be down this year, too, 9% overall. Generally, the larger screen sizes will suffer most in sales.

There's very little change this year in terms of where color and monochrome tv sets are sold.

VCRs due for healthy gains

Meanwhile, very healthy increases are projected in factory sales of videocassette recorders. *Merchandising* projects VCR sales will hit the 635,000 mark for 1980 with most of them—about 450,000—in the VHS format. Still, good growth is expected in Beta format unit sales.

Not surprisingly, blank videotape sales are growing

→

right along with the increased population of VCRs. A 44% increase in blank videocassette sales is expected this year—up to 14,352,000 unit sales at factory levels. Again, most of the growth will be in the VHS format.

Tape market shifts

Some changes are likely in where blank videotape is sold this year with gains expected by appliance/tv, camera and record stores. Discount and department stores will get less of the business this year.

In prerecorded videocassettes, an impressive 58% increase in unit sales is projected by *Merchandising*. General interest programming is gaining as new, top-rated titles begin reaching retail outlets, to some extent at the expense of X-rated cassette sales. X-rated video isn't hurting too badly, however; a 48% increase in sales of this type of material is projected for 1980.

Color camera sales strong

In video cameras, there appears to be very little interest in black-and-white models and sales will be off 43% this year. Color camera sales are strong, however, with a 70% increase in unit sales anticipated.

Overall, some 90,000 color cameras are expected to be sold at retail.

Projection, or wide-screen, tv is growing somewhat with a 6% increase in unit sales likely this year—up to 67,000 units.

As for video games, most of the action these days is in programmable models with little consumer interest in the basic, so-called ball-and-paddle non-programmable models. •

COLOR TV TOTAL FACTORY SALES

	1980	1979	% of Change
Color TV, total	9,208	9,793	-6
Console & Combo	2,208	2,263	-2
Portable & Table	7,000	7,530	-7

(final 000's omitted)

COLOR TV SALES BY SCREEN SIZE

	1980	1979	% of Change
9-in. & under	368	369	N.C.
12 & 13-in.	1,289	1,352	-5
14 & 15-in.	285	316	-10
16 & 17-in.	387	382	+1
18 & 19-in.	4,395	4,807	-9
21-in.	147	176	-16
23-in. (total)	249	248	N.C.
Console & Combo	221	212	+4
Table	28	36	-22
25-in. (total)	2,088	2,143	-3
Console & Combo	1,987	2,051	-3
Table	101	92	+10

(final 000's omitted)

COLOR TV SALES BY TYPE OF OUTLET

	1980	1979
Appliance/TV store	48%	48%
Catalog Chain (Sears, Penney, etc.)	16%	17%
Catalog Showroom	2%	2%
Department store	14%	15%
Discount store	10%	9%
Furniture store	7%	7%
Video Specialty store	1%	1%
Other	2%	1%

REMOTE CONTROL: % OF COLOR TV SALES

1980	1979
26	21

COLOR TV CONSOLE SALES BY CABINET STYLE

	1980	1979
Early American	28%	28%
French Provincial	5%	6%
Mediterranean	32%	31%
Modern (contemporary)	31%	30%
Other	4%	5%

B&W TV TOTAL FACTORY SALES

	1980	1979	% of Change
B&W TV, total	5,700	6,281	-9
Console & Combo	17	23	-26
Portable & Table	5,683	6,258	-9

(final 000's omitted)

B&W TV SALES BY SCREEN SIZE

	1980	1979	% of Change
Mini Combinations	300	322	-7
9-in. & under (excl. mini combos)	425	560	-24
12-in.	4,180	4,372	-4
13 & 15-in.	145	176	-18
16 & 17-in.	120	156	-23
18 & 19-in.	510	667	-24
22-in. (total)	20	28	-29
Console & Combo	17	23	-26
Table	3	5	-40

(final 000's omitted)

B&W TV SALES BY TYPE OF OUTLET

	1980	1979
Appliance/TV store	28%	28%
Catalog Chain (Sears, Penney, etc.)	19%	21%
Catalog Showroom	6%	6%
Department store	16%	16%
Discount store	23%	24%
Furniture store	4%	3%
Other	4%	2%

BATTERY-POWERED: % OF B&W TV SALES

1980	1979
23	22

VCR TOTAL FACTORY SALES

	1980	1979	% of Change
Videotape Recorders (total)	635	478	+33
Beta	185	148	+25
VHS	450	330	+36

(final 000's omitted)

VCR SALES BY TYPE OF OUTLET

	1980	1979
Appliance/TV store	40%	40%
Audio/Hifi store	10%	10%
Catalog Chain (Sears, Penney, etc.)	5%	4%
Catalog Showroom	2%	2%
Department store	15%	16%
Discount store	11%	12%
Video Specialty store	16%	16%
Other	1%	—

BLANK VIDEOTAPE TOTAL FACTORY SALES

	1980	1979	% of Change
Blank Videotape, total	14,352	9,967	+44
Beta	6,028	4,567	+32
VHS	8,324	5,400	+54

(final 000's omitted)

BLANK VIDEOTAPE SALES BY TYPE OF OUTLET

	1980	1979
Appliance/TV store	35%	38%
Audio/Hifi store	13%	12%
Camera store	3%	2%
Catalog Chain (Sears, Penney, etc.)	4%	5%
Catalog Showroom	2%	1%
Department store	10%	12%
Discount store	10%	9%
Film Processor (Fotomat, Shutterbug, etc.)	2%	2%
Record store	4%	3%
Video Specialty store	12%	15%
Other	5%	1%

(Continued on page 28)

Sixth Annual Electronics Statistical & Marketing Report

PRERECORDED VIDEOTAPE TOTAL FACTORY SALES

	1980	1979	% of Change
Prerecorded Videotape, total	3,410	2,158	+ 58
General Interest	1,159	633	+ 83
X-Rated	2,251	1,525	+ 48
Beta	1,193	906	+ 32
VHS	2,217	1,252	+ 77

(final 000's omitted)

PRERECORDED VIDEOTAPE SALES BY TYPE OF OUTLET

	1980	1979
Appliance/TV store	12%	11%
Audio/Hifi store	9%	7%
Camera store	4%	3%
Catalog Chain (Sears, Penney, etc.)	30%	37%
Catalog Showroom	3%	2%
Department store	14%	12%
Discount store	2%	2%
Film Processor (Fotomat, Shutterbug, etc.)	5%	5%
Record store	5%	4%
Video Specialty store	16%	17%

PROJECTION TV TOTAL FACTORY SALES

	1980	1979	% of Change
Projection TV	67	63	+ 6

(final 000's omitted)

PROJECTION TV SALES BY TYPE OF OUTLET

	1980	1979
Appliance/TV store	15%	14%
Audio/Hifi store	32%	33%
Catalog Showroom	1%	1%
Department store	9%	12%
Discount store	3%	1%
Furniture store	4%	4%
Video Specialty store	35%	34%
Other	1%	1%

VIDEO CAMERA TOTAL FACTORY SATES

	1980	1979	% of Change
Video Cameras, total	90	73	+ 23
Color	73	43	+ 70
Black & White	17	30	-43

(final 000's omitted)

VIDEO GAME TOTAL FACTORY SALES

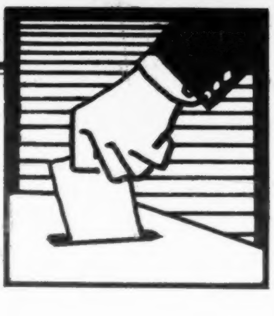
	1980	1979	% of Change
Video Games, total	1,750	1,685	+ 4
Non-Programmable	650	1,085	-40
Programmable	1,100	600	+ 83

(final 000's omitted)

VIDEO GAME SALES BY TYPE OF OUTLET

	1980	1979
Appliance/TV store	7%	7%
Audio/Hifi store	3%	5%
Catalog Chain (Sears, Penney, etc.)	14%	12%
Catalog Showroom	10%	6%
Department store	22%	24%
Discount store	33%	34%
Electronic Specialty store (Radio Shack, etc.)	2%	2%
Toy store	7%	7%
Video Specialty store	1%	1%
Other	1%	2%

Retail Opinion File



A majority of electronics dealers cast ballots for capacitance videodiscs vs. optical format

With election fever beginning to sweep the country, electronics dealers went to the polls last month and cast their ballots on several of the pocketbook issues that will affect them in the months ahead.

Although the results were mixed—there were no overwhelming victories chalked up in this month's Retail Opinion File—the capacitance videodisc player won a clear majority over the optical format in the preferential poll.

Fifty-seven percent of the respondents gave the nod to the capacitance system as the one likely to be the more successful in the marketplace. The optical party mustered 43%.

Why one vs. the other

When asked why they chose one over the other, 58% of the capacitance supporters cited price, 54% advertising, 35% features and 26% software support. The optical backers claimed superiority in the same four areas, but with a different ranking: 71% put features first, 25% cited advertising, 20% software support and 15% focused on price.

But several retailers did more than mark ballots; they had opinions to voice as well. With 'a plague on both your houses' attitude, one dealer warned: "If the videodisc doesn't become standardized soon—and I mean right now—it will end up just like 4-channel. Some companies won't enter the videodisc market because they lost their shirts in 4-channel."

But another electronics merchant asserted, "The RCA VideoDisc—when available with stereo—will be the hottest thing to hit the market, if the price is right."

Disc intro to help VCR

In addition, a strong minority—33%—believe the advent of videodisc players will help stimulate sales of videocassette recorders. As one dealer said, "I think with the videodisc priced the way it is, more consumer interest will be created and help VCR sales as well."

While another retailer predicted, 'Videodisc will be the flop of the '80s; it will be the biggest dinosaur since quad. But it will create a booming VCR business."

Then there was the dealer who apparently is none too happy about either the videodisc player or VCR. He claimed, "Videodisc, like videocassette, will become a jungle almost immediately. Manufacturers will lose control over retailers who will ruin the marketplace. It's a familiar pattern which we have seen before."

VCR sales outlook

Among the 67% of respondents to the poll who sell videocassette recorders, 54% expected their VCR unit sales would show gains for 1980 compared to 1979, and a substantial 34% felt volume would remain unchanged.

But even among the optimists there were complaints. "If the industry wouldn't constantly confuse the customer (and retailer) with pricing as well as product changes, VCRs would be selling at a 25% faster rate," said a dealer. And another echoed, "The VCR rat race is hurting sales . . . the consumer buys a 6-hr. VCR this month and two months later it is outdated."

But sales pace wasn't the only concern of the retailer who bitterly stated, "Videocassette recorders are so badly discounted that we are unable to sell them competitively. There's no profit left in VCRs."

Prerecorded videocassettes

To sell, to rent, or both?

When retailers were asked if they would like to rent prerecorded videocassettes, as well as sell them, of the 20% who currently sell software programs, 50% voted a desire to rent also. Thirty-three percent stated a sell-only preference, while 15% now do both. Two percent offered no opinion, and nobody wanted to change to a rent-only policy.

Outlook for color tv

"The future in electronics lies in the tv set becoming the home video center—computer, video recorder, disc player, games, etc.," said a dealer. But neither he nor several of his colleagues were especially optimistic about the basic building block of his vision—the color tv set.

The ballot box tally of how dealers view their color tv sales for the year ended essentially in a draw. Thirty-four percent voted on the upside, 33% on the downside and another 33% said they expected their tv business to remain on a par with 1979.

Beyond the numbers themselves, however, some retailers perceived changes in the offing. As one declared, "I expect the overall tv business to slant more toward the mass merchandiser. This will make competition on margins stiffer for all outlets."

But he added this advice: "Those dealers who accept trade-ins will maintain or even gain in volume share as the market from here on becomes more of a replacement business."

Selecting a supplier

The referendum on criteria dealers use in selecting a supplier drew the most heated comment from respondents to this month's Retail Opinion File. No one element received a majority vote, and only three qualities pulled in any significant support. The remaining eight got only a smattering of nods.

Brand name was considered the most important consideration in selecting an electronics product supplier by 37% of the "electorate." Price garnered 22% of the votes, while service attracted 20%.

One dealer explained his vote, saying, "If you buy brand name, you don't have to worry about service, competition, merchandising, quality, etc."

But another retailer sharply disagreed. "Picking a distributor must be based on the capability of the distributor, more than the product. It doesn't matter what your product is if you can't get it or if your distributor doesn't back it up."

While still another precinct reported, "Price! With interest rates high and profit margins low, I have to have quick turnover or eat it."

And there was the retailer who charged, "I need limited distribution. A salesman can sell on the merits of the product rather than price. I've never been able to understand why the electronics industry is so discount minded. Just look at the office products business; they seem to be able to hold the price on their products real well."

Finally, there was the dealer who noted, "We are looking for suppliers who feel loyalty is a two-way street."

Questionnaire

Do you sell color television sets?

Yes	76%
No	24%

If yes, what change do you expect in your unit sales for 1980 compared to 1979?

Up 1-9%	9%
Up 10-14%	12%
Up 15-25%	8%
Up over 25%	5%
Unchanged	33%
Down 1-9%	4%
Down 10-14%	11%
Down 15-25%	14%
Down over 25%	4%

Do you sell videocassette recorders?

Yes	67%
No	33%

If yes, what change do you expect in your unit sales for 1980 compared to 1979?

Up 1-14%	19%
Up 15-24%	17%
Up 25-50%	17%
Up over 50%	1%
Unchanged	32%
Down 1-14%	3%
Down 15-24%	5%
Down 25-50%	5%
Down over 50%	1%

In your opinion, which of the major videodisc players will be the most successful in the marketplace, the capacitance (RCA, Zenith) or optical (Magnavox, Pioneer, etc.) format?

Capacitance	57%
Optical	43%

Why?

	Capacitance*	Optical*
Features	35%	71%
Price	58%	15%
Software Support	26%	20%
Advertising	54%	25%
Brand Name	6%	4%
Quality	1%	8%
Service	1%	0%
Other	2%	3%

**Adds up to more than 100% due to multiple answers.*

In your opinion, what effect will the introduction of videodisc players on a national scale have on the sale of videocassette recorders?

Will Help	33%
Will Hinder	20%
No Effect	27%
Don't Know	20%

Do you sell prerecorded videocassettes?

Yes	20%
No	80%

If yes, would you like to rent them as well as sell them?

Like to Rent & Sell	50%
Like to Sell Only	33%
Like to Rent Only	0%
Now Rent & Sell	15%
No Response	2%

How important to the sales effort is the "talking" feature (electronic voice synthesis) in home electronic products, such as games, hifi components and computers?

Very Important	20%
Moderately Important	50%
Not Important	30%

How long do you think it will take before personal computers become a mass market consumer product?

With the next 5 years	44%
5-10 years	44%
Longer than 10 years	10%
Now	1%
Other	1%

Do you feel women are exerting more influence today than ever before on home entertainment product purchase decisions?

More Influence	61%
About the Same	38%
Less Influence	1%

What is the most important factor to you in selecting a supplier of products?

Brand Name	37%
Price	22%
Service	20%
Your Competition	6%
Merchandising	5%
Delivery	3%
Quality	2%
Terms	2%
Profitability	1%
Limited Distribution	1%
Other	1%

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Merchandising's TOP 50

	Last month's position*	Months on chart
1. **"10"** *(WCI Home Video)***	2	3
2. **Superman** *(WCI Home Video)*	1	6
3. **The Muppet Movie** *(Magnetic Video)*	9	2
4. **Alien** *(Magnetic Video)*	N	1
5. **Animal House** *(MCA Distributing)*	13	2
6. **Grease** *(Paramount Home Video)*	3	5
7. **The Godfather** *(Paramount Home Video)*	4	13
8. **Norma Rae** *(Magnetic Video)*	8	5
9. **Blazing Saddles** *(WCI Home Video)*	8	5
10. **Jaws** *(MCA Distributing)*	43	2
11. **Enter the Dragon** *(WCI Home Video)*	7	4
12. **Saturday Night Fever** *(Paramount Home Video)*	5	13
13. **Electric Horseman** *(TVX Distributors)*	N	1
14. **Smokey and the Bandit** *(MCA Distributing)*	30	2
15. **The Godfather II** *(Paramount Home Video)*	10	10
16. **Emmanuelle** *(Columbia Pictures Home Entertainment)*	11	3
17. **M*A*S*H** *(Magnetic Video)*	6	22
18. **Halloween** *(Media Home Entertainment)*	12	3
19. **Midnight Express** *(Columbia Pictures Home Entertainment)*	22	3
20. **Dirty Harry** *(WCI Home Video)*	15	5
21. **A Star Is Born** *(WCI Home Video)*	N	1
22. **The Sound of Music** *(Magnetic Video)*	17	17
23. **Heaven Can Wait** *(Paramount Home Video)*	18	5
24. **Silver Streak** *(Magnetic Video)*	20	5
25. **The In-Laws** *(WCI Home Video)*	26	4
26. **The Exorcist** *(WCI Home Video)*	35	5
27. **Patton** *(Magnetic Video)*	14	22
28. **The Wild Bunch** *(WCI Home Video)*	19	3
29. **The African Queen** *(Magnetic Video)*	31	13
30. **Barbarella** *(Paramount Home Video)*	34	10
31. **The Deer Hunter** *(MCA Distributing)*	45	2
32. **Deliverance** *(MCA Distributing)*	36	1
33. **Butch Cassidy & the Sundance Kid** *(Magnetic Video)*	23	10
34. **Oh God!** *(WCI Home Video)*	41	4
35. **Tora! Tora! Tora!** *(Magnetic Video)*	24	22
36. **"1941"** *(MCA Distributing)*	N	1
37. **The Omen** *(Magnetic Video)*	27	3
38. **The Jerk** *(MCA Distributing)*	N	1
39. **The Deep** *(Columbia Pictures Home Entertainment)*	40	6
40. **Hooper** *(WCI Home Video)*	29	4
41. **Mr. Bill** *(Video Tape Network)*	32	2
42. **The Adventures of Sherlock Holmes' Smarter Brother** *(Magnetic Video)*	42	8
43. **The French Connection** *(Magnetic Video)*	28	22
44. **Foul Play** *(Paramount Home Video)*	44	5
45. **Night of the Living Dead** *(Media Home Entertainment)*	N	13
46. **Murder on the Orient Express** *(Paramount)*	47	10
47. **The Graduate** *(Magnetic Video)*	21	19
48. **Marathon Man** *(Paramount Home Video)*	37	9
49. **The Longest Yard** *(Paramount Home Video)*	N	6
50. **The Longest Day** *(Magnetic Video)*	N	20

**Based on retail sales.*

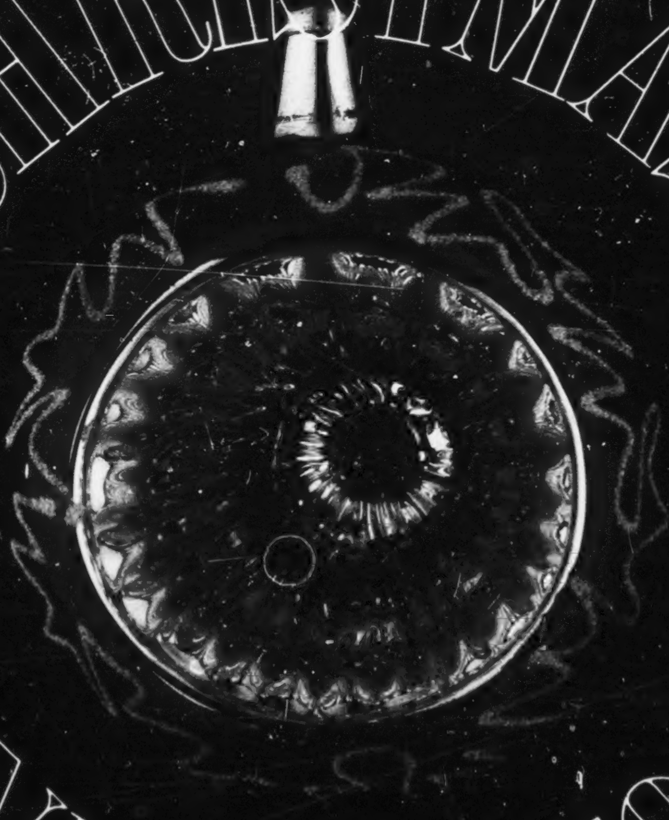
***Companies in parentheses are distributors.*

Merchandising

THE NATIONAL MAGAZINE FOR ELECTRONICS ■ HOUSEWARES ■ MAJOR APPLIANCE RETAILERS

4/23/80 C 4200-1 U

CHRISTMAS PLANNING FOCUS



Promotions / Displays / Sales Forecasts / Credit Outlook

6th Annual Housewares Statistical & Marketing Report

The L.A. Hifi Market: Survival of The Fittest

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Merchandising

FOR OVER 60,000 READERS
52,000 RETAILERS

SEPTEMBER 1980

6th Annual Housewares Statistical & Marketing Report

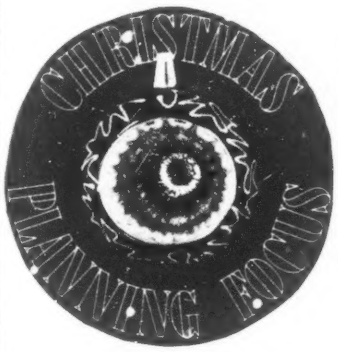
6th
annual housewares statistical & marketing report

Housewares is in pretty good shape this year, for the most part, according to MERCHANDISING's projections.

For the 29 product groups we track in kitchen electrics, the forecasts we made in May have held up well. Total metal cookware sales for 1980 are forecast ahead of 1979 by 10%.

In personal care, there's a very definite positive outlook for all of this year, with few exceptions.

17



Electronics: Retailers expect portable tape equipment, games, VCRs and color tv to generate bigger-than-ever sales this Christmas selling season.

Housewares: It will be an old fashioned Christmas for Housewares with little less tinsel and a lot more ingenuity at the retail level.

Major Appliances: A white goods Christmas? Why not? Look for most of the sales action to come from microwave ovens and, of course, dishwashers.

64

56

Most electronics and housewares retailers expect strong holiday season sales

The majority of housewares and electronics retailers responding to **MERCHANDISING**'s *Retail Opinion File* say they expect Christmas sales to better this year than they were in 1979 in most product categories.

Consumers show more interest in non-store shopping

60

More and more consumers, anxious to save on travel costs and time, are turning to buying goods by mail, telephone and catalog orders.

Japanese tv makers' case too complicated for jury decision

4

Defendants in the important legal battle with Japanese television set exporters have managed to convince the U.S. Court of Appeals in Philadelphia that some cases can be so complicated that it is impossible to try them before a jury. In fact, some of the defendants would like to skip the jury, but not necessarily due to of the complexity of the case.

80

At the National Hardware Show

Anything related to the energy crunch proved to be high on the product wanted list for merchants at the National Hardware Show in Chicago last month. There were plenty of wood-burning stoves, attic and ceiling fans, solar devices, electronic thermostats, and quartz and kerosene heaters, along with plenty of barbecue grills and electronic bug killers. And log splitters.

It all seemed to be a pretty good indication of consumer interest in stay-at-home living and energy conservation.

Mickey Mouse joins the video parade

32

Mickey Mouse is for hire. Or for sale. Walt Disney Home Video launches its rent-and-sell program this month with 10 of its top feature films and three cartoon festivals—all on videocassette.

And "Alien" moves up to the top selling spot.

Coming in October

** 8th Annual National Consumer Survey*

** A look at the tv rental, electronic thermostat and video games markets.*

Trendings

6

- •Summer may be winding down, but appliance dealers are looking for end-of-vacation sales opportunities.
- •Personal electronics sales are picking up and retailers have started ordering their Christmas goods.
- •Hifi is selling again in some areas—to the genuine surprise of some dealers.
- •Video accessories business is booming along with consumer interest in home video.
- •Most non-electronics buyers say they'll "stick with what we have" for fall promotions.
- •More students are buying toaster-ovens, coffee makers, popcorn poppers and hot pots.

Happenings

70

Vhile high ticket items such as microwave ens still hold a place on supermarket elves, most of the hard goods action this ar in food chains will be in personal care and ier small electric housewares.

J.S. Pioneer is cutting its dealer network by out 45% and expects its video sales to top i sales within the next three years.

Product Picture

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Merchandising
SEPTEMBER 1980

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6th annual housewares statistical & marketing report

Industry estimates for the housewares categories tracked by ***Merchandising*** suggest that 1980 will be a better year than many expected.
No records are likely to be set because the most exciting fourth quarter business cannot completely make-up for the "not very good" or "plain lousy" second quarter experienced during the "credit crunch."
Statistics were compiled by Robert A. Leibson, research director, and Selma Book, research associate; analyses by Lois A. Panosh, managing editor.

6th Annual Housewares Statistical & Marketing Report

KITCHEN ELECTRICS

Kitchen Electrics Sales by Type of Outlet

	% 1980	% 1979
Appliance/TV Store	3	3
Catalog Chain (Sears, Penney's etc.)	9	9
Catalog Showroom	22	20
Department Store	15	17
Discount Store	29	29
Drug Store	5	5
Home Improvement Center	1	1
Housewares/Hardware Store	7	7
Supermarket	3	3
Variety	5	5
Other	1	1

ADC Coffeemaker Sales by Cup Capacity

	% 1980	% 1979
Under 10-cup	16	16
10- cup	60	61
12-cup	24	23

Food Processor Sales by Retail Price Range

	% 1980	% 1979
Under $50	21	14
$50 - $75	53	63
$76 - $100	9	8
$101 - $150	6	6
$151 - $200	5	4
Over $200	6	5

Deep Fryer Sales by Oil Capacity

	% 1980	% 1979
2-cup	15	17
4-cup	49	43
6-cup and over	36	40

Kitchen Electrics Unit Sales

	1980*	1979*	% Change
Bag Sealers	2,150	2,390	-10
Blenders	4,787	5,025	-5
Broilers, Total	2,400	2,423	-1
With Rotisseries	442	464	-5
Without Rotisseries	1,958	1,959	N.C.
Can Openers, Total	5,575	5,520	+ 1
Single units	3,085	2,951	+ 5
Combination units	2,490	2,567	-3
Coffee Grinders	351	368	-5
Coffeemakers, Total	12,656	12,104	+ 5
ADC	8,608,	8,277	+ 4
Automatic (1-16 cup)	3,136	2,906	+ 3
Party Perc (over 16 cups)	930	921	+ 1
Convection Ovens (countertop)	550	250	+ 120
Cornpoppers, Total	5,667	5,280	+ 7
Hot Air	2,592	2,117	+ 22
Hot Oil, Total	3,075	3,163	-3
Buttering	2,500	2,497	N.C.
Non-Buttering	575	666	-14
Crepe Pans	310	364	-15
Deep Fryers, Total	2,784	2,818	-1
Mini	1,667	1,710	-3
Regular	1,117	1,108	+ 1
Egg Cookers	460	460	N.C.
Fondues	195	215	-9
Food Mixers, Total	5,770	5,568	+ 4
Stand-Type	1,412	1,457	-3
Hand-Held	4,358	4,111	+ 6
Food Processors	3,120	3,000	+ 4
Food Slicers	560	563	+ 7
Frypans/Skillets	2,935	2,709	+ 8
Griddles/Quick Grills	694	661	+ 5
Hotplates & Buffet Ranges	812	803	+ 1
Ice Cream Makers	1,267	1,306	-3
Ice Crushers	190	188	+ 1
Irons, Total	10,305	10,340	N.C.
Stream & Steam/Spray, Total	9,777	9,795	N.C.
Standard	7,645	8,380	-9
Full Feature Lightweight	2,132	1,415	+ 51
Automatic	327	350	-7
Travel	201	195	+ 3
Juice Extractors	23	20	+ 15
Knives	1,709	1,692	+ 1
Omelet Pans	254	254	N.C.
Slow Cookers	5,175	5,641	+ 1
Toasters, Total	9,378	8,916	+ 5
Two-Slice	4,675	4,576	+ 2
Four-Slice	1,823	1,752	+ 4
Toaster-Ovens	962	888	+ 8
Toaster-Oven/Broilers	1,918	1,700	+ 13
Waffle Irons/Sandwich Grills	1,152	1,119	+ 3
Woks	584	578	+ 1
Yogurt Makers	609	641	-5

(* final 000's omitted)

Analysis

Basic categories forecast above '79

For the 29 product groups tracked in this category, the overall May projections have held up surprisingly well. At that time, there were 16 shown for increases; eight for decreases and five with "no change" expected. Like totals at this time are 17, nine and three.

There is a distinct difference, however. In a number of instances the "ups" of May are not quite as high in September and the "downs" are lower. This reflects a "second look" by industry taking into account the affect of the "credit crunch" on second-quarter business.

The largest percentage gain goes to convection ovens. Industry estimates place them above the 500,000-mark with a projected increase of 120% over units shipped in 1979.

In volume, the top electric housewares category remains coffeemakers. With a 5% increase over last year total unit sales will be almost 12.7 million. Of this number, automatic drip coffeemakers, up 4%; account for the largest share, 8.6 million units; 1-16 cup automatic percs pass the three-million mark for the first time since 1976, up 8% and party percs with a gain of 1% are forecast to total 930,000 units.

Industry sources suggest that the growth in percolators reflects the down economy. A number of people, it seems, still believe percs use less coffee than the ADC's.

Irons hold a strong second place with a projection of 10.3 million in unit sales, ranking a "no change" from 1979 because the total difference is not statistically significant.

Lightweights gain on standard irons

What is significant—both statistically and otherwise—is the fact that the full feature lightweight stream & steam/spray irons are set for a 51% increase, crossing the two-million unit level while the standard stream & steam/spray models drop below eight million-mark with an expected 9% loss. Automatic irons are seen off 7% while travel irons are up 3%.

Toasters which include toaster-ovens pass the nine million-mark with a 5% gain forecast. While two-slice models account for almost half of the total volume, toaster-oven/broilers account for the largest percentage change (13%) from a year ago, nearing the two million-mark.

Following food mixers and slow cookers in total unit sales, cornpoppers are expected to gain seven percentage points this year. The hot air units show an increase of 22%, bringing the total projected annual sales of these items to over 2.5 million.

With a 1% gain, can-openers account for 5.57 million units shipped, while blenders forecast 5% under 1979, fall below the five-million unit level.

Industry estimates put food processor unit sales 4% ahead of last year, bringing the total shipments to 3.1 million.

The other products in this category expected to show gains this year include frypans/skillets, slicing knives, waffle irons/sandwich grills, hotplates & buffet ranges, griddles/quick grills, woks, food slicers, and ice crushers.

Catalog showrooms gain market share

According to industry estimates the only change in kitchen electrics unit sales by type of outlet is that catalog showrooms have gained a 2% share. This added business appears to come directly from department stores since they are forecast to lose a 2% share.

Almost two-thirds of automatic drip coffeemakers sold are the 10-cup size. Accounting for about one-fourth of the total are the 12-cup units, while the under 10-cup ADC's account for 16%.

More than half of all food processor sales by retail price will be from those priced $50 to $75. Again, reflecting the economic times, food processors selling under $50 pick up the largest percentage share (7%) from 1979. Those over $200 are projected for a 1% increase.

Deep fryer sales by oil capacity show that 4-cup units are expected to account for almost half of the units shipped this year.

6th Annual Housewares Statistical & Marketing Report

COOKWARE

Metal Cookware Unit Sales

	1980*	1979*	%Change
Total	117,510	106,723	+10
Aluminum	76,197	65,552	+16
Stainless Steel	27,096	26,225	+ 3
Enamel	7,556	7,546	NC
Cast Iron	4,621	4,850	- 5
Porcelain Enamel on Cast Iron	2,040	2,550	-20
Non-Stick	52,942	43,756	+21

**final 000's omitted*

Metal Cookware Sales by Type of Outlet

	1980%	1979%
Catalog Chain (Sears, Penney's, etc.)	12	13
Catalog Showroom	12	11
Department Store	25	29
Discount Store	22	21
Drug Chain	1	1
Gourmet/Gift Shop	5	4
Housewares/Hardware	10	10
Supermarket	4	3
Variety Store	1	2
Other	8	6

Sales of Metal Cookware by Type of Non-Stick Coating

	%1980*	%1979*
SilverStone	68	60
Teflon	17	19
Other	15	21

*(*final 000's omitted)*

Microwave Cookware Unit Sales

	1980*	1979*	%Change
Total	17,081	15,706	+ 9
Plastic	6,286	5,483	+15
Ceramic	3,891	3,678	+ 6
Glass	4,079	3,694	+10
Stoneware	2,098	2,074	+ 1
Other	727	777	- 6

*(*final 000's omitted)*

Microwave Cookware Sales by Type of Outlet

	%1980	%1979
Appliance/tv	10	9
Catalog Chain (Sears, Penney's, etc.)	16	18
Catalog Showroom	6	5
Department Store	14	15
Discount Store	19	19
Drug Chain	3	3
Housewares/Hardware	8	8
Microwave only	11	9
Supermarket	8	8
Variety Store	4	5
Other	1	1

Microwave Cookware Sales: Sets vs. Open Stock

	%1980	%1979
Open-stock pieces	74	71
Sets	26	29

Pressure Cooker Unit Sales

	1980*	1979*	%Change
Total	2,966	2,825	+5
Regular	2,077	1,978	+5
Low Pressure	889	847	+5
Non-Electric	2,669	2,500	+7
Electric	297	325	- 9

*(*final 000's omitted)*

Pressure Cooker Sales by Capacity

	%1980	%1979
2 - 4 quart	22	23
6 - 8 quart	57	57
10-quart and over	21	20

Pressure Cooker Sales by Type of Outlet

	%1980	%1979
Appliance/tv	4	7
Catalog Chain (Sears, Penney's, etc.)	21	20
Catalog Showroom	11	9
Department Store	31	35
Discount Store	21	17
Housewares/Hardware	10	11
Other	2	1

Analysis

Cookware set at 118 million units

Total metal cookware sales for 1980 are forecast ahead of 1979 by 10% with 117.5 million units expected to be shipped.

Accounting for almost two-thirds of all cookware/bakeware is the aluminum category estimated 16% above last year's count of 65.6 million.

With non-stick cookware passing the 50-million mark, much of the aluminum cookware/bakeware growth must be credited to the "high powered" SilverStone promotions initiated by Du Pont.

Despite the uncertainties surrounding steel production and imports this year, stainless steel cookware is posted for a modest gain of 3%. This will bring 1980 shipments to just over 27 million units.

Enamel cookware remains virtually unchanged with a projection of just over 7.5 million units. However, both cast iron and porcelain enamel on cast iron cookware are set for decreases. The former is seen down 5% and the latter, 20%.

At least one factor in the above is the low-end imports coming in from developing countries at no or greatly reduced duties. On the other hand, with the strengthening of the currencies of Western Europe against the American dollar, the high-end imports, never a mass-merchandising item, are being all but priced out of the market here.

Metal cookware sales by type of outlet show that department stores are expected to drop from 29% to 25% share of market this year over 1979. Catalog chains and variety stores each will lose a 1% share.

The gainers, but by only a percentage point, are catalog showrooms, discount stores, gourmet/gift shops and supermarkets. A gain of 2% is forecast for other which includes cooking schools and specialty mail order houses.

While the change in share by outlets shows department stores off, the overall gain in total sales means that in actual unit sales, all outlets may post gains this year.

For the first time this year, *Merchandising* breaks out the various non-stick coatings for metal cookware. Far and away, SilverStone takes the lead with 68% of the total. In second place is Teflon at 19% with other types of non-stick coating accounting for 15%.

Most microwave cookware sales in plastic

As a material, and despite the fact that no standards have been set as yet, plastic accounts for most unit sales of microwave cookware. Projections show that they total over six million units making up 15% of all microwave cookware/accessories expected to be sold this year.

Ceramic and glass, as well as ceramic/glass one must surmise, account for 3.9 million and just over 4 million, respectively, or gains of 6% and 10%.

Stoneware sneaks up just 1% in unit sales over 1979. The gains in ceramic, glass and stoneware do not account for the full volume of these products which are used in conventional as well as microwave ovens. Industry estimates, not statistically confirmed, indicate that total sales of non-metal cookware would double figures.

Other types of microwave cookware, which include the coated paper, foil and china, are projected for a 5% decrease from a year earlier.

With the exception of one or two percentage points, microwave cookware sales by type of outlet remain unchanged from last year. Industry forecasts do show that microwave only outlets will gain a 2% share.

Open stock pieces of microwave cookware sales now are expected to account for almost three out of every four sales. As one industry source indicated, this is not surprising. When the consumer first buys her microwave oven she frequently buys a set of utensils to use with it. Thereafter, she picks up specialty items and individual pieces as she needs them. Sets will continue to sell as long as the ovens are at such a low saturation among total consumers. However, as the market becomes more saturated, open stock pieces account for an even greater share of the market.

Pressure cooker sales on the rise

Energy costs and economy are the reasons the industry sees pressure cooker sales increasing by 5% this year. In fact, pressure cookers have been called the "poor man's microwave oven." They are fast and efficient, but far less costly.

Pressure cookers cook less expensive cuts of meat more easily ... and "appetizingly" according to one industry executive ... than microwave ovens. A recognizable economy measure in these days of high food, especially meat, costs.

Sales of pressure cookers by type of outlet show that discount stores are expected to pick-up 4% in 1980 while department stores are forecast to lose a like amount of volume.

Catalog showrooms will pick up 2% over 1979 and 1% shares each are forecast for catalog chains and other. ●

PERSONAL CARE

Analysis

Curling brushes making it big

Personal Care Products Unit Sales

	*1980**	*1979**	*% Change*
Bed Coverings (electric)	5,791	5,125	+ 13
Curling Brushes	1,750	875	+ 100
Curling Irons/Styling Wands, Total	6,734	6,463	+ 4
Dry	4,339	4,075	+ 6
Mist	2,395	2,388	N.C.
Facial Saunas	600	550	+ 9
Foot Massagers/Baths	1,000	750**	+ 33
Hair Dryers, Total	18,741	18,488	+ 1
Pistol	13,984	12,267	+ 14
Styling	3,900	5,200	- 25
Hard Top	447	539	- 17
Soft Bonnet	410	482	- 15
Hair Setters, Total	2,810	2,382	+ 18
Dry	1,014	604	+ 68
Mist	1,796	1,778	+ 1
Heating Pads	4,389	4,100	+ 7
Make-Up Mirrors	1,733	1,633	+ 6
Massagers, Hand-Held Body	892	830	+ 7
Massagers, Shower	1,975	1,885	+ 5
Nail Care Devices	1,232	1,325	- 7
Oral Hygiene Devices, Total	1,680	1,650	+ 2
Water Pulsators	1,150	1,126	+ 2
Electric Toothbrushes	530	524	+ 1
Scales, Total	8,612	8,106	+ 6
Regular	7,609	7,316	+ 4
Digital	1,003	790	+ 27
Shavers, Total	6,155	5,960	+ 2
Men's	4,862	4,675	+ 4
Women's	1,293	1,285	+ 1
Skin Cleaners, Face & Body	780	865	- 10

*(*final 000's omitted)*

Personal Care Sales by Type of Outlet

	% 1980	*% 1979*
Catalog Chain (Sears, Penney's etc.)	6	6
Catalog Showroom	27	25
Department Store	13	17
Discount Store	32	31
Drug Chain	13	11
Housewares/Hardware	5	6
Variety Store	4	4

Hand-Held Dryer Sales by Wattage

	% 1980	*% 1979*
Less than 500 watts	1	1
500 - 750 watts	7	13
800 - 950 watts	13	28
1,000 - 1,200 watts	60	49
Over 1,200 watts	19	9

Curling Iron Sales by Type

	% 1980	*% 1979*
Dry	70	60
Mist	30	40

Hair Setter Sales by Type

	% 1980	*% 1979*
Dry	30	24
Mist	70	76

Shaver Sales by Type

	% 1980	*% 1979*
Men's, Total	80	80
Cord	43	45
Cordless	37	35
Women's, Total	20	20
Cord	14	14
Cordless	6	6

Scale Sales by Type of Outlet

	% 1980	*% 1979*
Catalog Chain (Sears, Penney's etc.)	13	13
Catalog Showroom	28	28
Department Store	9	10
Discount Store	34	33
Drug Chain	5	4
Home Improvement Center	3	3
Housewares/Hardware	3	3
Variety Store	5	6

Scale Sales by Retail Price Range

	% 1980	*% 1979*
Under $10	30	34
$10 — $19	34	34
$20 — $29	15	12
$30 — $40	14	14
Over $40	7	6

Personal care definitely appears a positive for the 1980's. With the exception of nail care devices and face & body skin cleaners, all products tracked by *Merchandising* are in the plus column for this year.

The product with the single largest percentage gain over a year ago—and not surprisingly since it is not much older in the market place—is the curling brush category, projected 100% ahead of 1979. This brings the total unit count to 1.75 million.

Volumewise, hair dryers are personal care. With a 1% increase forecast, the total is 18.7 million units—the bulk of which are imported. Based on figures from U.S. Customs, some 15.7 million hair dryers were imported in 1979 (*Merchandising*, March, 1980, p. 58).

Of the four sub-categories, the hand-held pistol type accounts for the largest share, almost 14 million units with a projected 14% increase over last year. Although slated to lose 25% in volume, styling dryers are way behind in second place at just about four million units. Trailing are hard tops at a count of 447,000 and soft bonnets, totaling 410,000. Both are down from 1979, 17% and 15% respectively.

Curling irons/styling wands (and this may also include some curling brushes since all suppliers have not separated the categories yet) are forecast up 4% for a total volume of 6.7 million units.

Total shavers with a 3% gain projected, pass the six-million mark. Men's shavers up 4% account for almost 4.9 million of this market. The gain for women's shavers is put at 1%.

For energy savers and athletes

Electric blankets (bed coverings), perhaps reflecting consumer's concern about saving energy, are projected 13% ahead of 1979, bringing the total unit count to 5.8 million.

The 7% gain seen for heating pads must be credited in part to the new flexible units as well as the "more active ME" generation.

Hair setters are set for a healthy 18% increase. While mist units still outnumber the dry, the latter is projected for the largest percentage gain, 68%. An industry executive said this was the result of the increase in promotional units which have recently entered the marketplace.

Other personal care appliances with volumes over the one-million level and projected for increases this year include shower massagers, water pulsators and make-up mirrors.

Just hitting the million mark with a 33% increase forecast are foot massagers/baths. This reflects another "feeling good" need.

Unit sales of standard personal care items by type of retail outlet show catalog showrooms gaining 2%; housewares/hardware stores, 2% and drug chains, 1%, at the expense of department stores, with just a little help from variety stores.

Hand-held dryer sales by wattage show that 79% of the volume is now done with units of 1,000 to over 1,200 watts.

While almost 70% of curling iron sales are the dry units as opposed to the wet, this ratio is just the reverse for hair setters, even though the dry segment has picked up a 6% increase since last year.

Men's cordless shavers are projected for a 2% gain over 1979 to total 37% of total units but no such shift is noted for women's shavers.

Scales are weighty entry

Scales were placed in the personal care category for the first time in the May Forecast issue. total volume—projected at 8.6 million units—places them just after hair dryers. Regular units, slated for a 4% increase, total 7.6 million and digital scales with a 27% increases projected, total just over the one-million mark.

Scale sales by type of outlet show only one-percentage-point changes with discount stores and drug chains each picking up a point and department and variety stores each losing one.

Scale sales by retail price range reveal that more than 60% will be sold for under $20. Units selling for over $40 have gained 1% over a year ago. This indicates there must be at least one digital scale out in the marketplace selling for under $40. ●

FLOOR CARE

Analysis

Industry projects vac sales down

Industry estimates for total vacuum cleaner sales for 1980 are set at 8.75 million units, a drop of 2% from the 8.9 million recorded in 1979.

While upright cleaners retain the 1% increase forecast in May, canisters are now expected to drop below the 3-million mark, off 6% from a year ago.

Despite a 6% gain in unit sales of hand-held lightweights, a 4% decrease in the sticks, puts this subcategory 2% below the 1.62 million units shipped in 1979.

A 5% increase projected for carpet sweepers puts the 1980 unit total at 1.36 million units.

Floor polishers are forecast to fall below the 500,000 level, off 13% from a year ago.

Taking a point each from department stores, door-to-door and vacuum cleaner shops, catalog showrooms post a 3% gain in unit sales of upright and canister vacs.

Market shares for other types of retail outlets remain virtually unchanged from 1979.

Reflecting the trend to trade-up when purchasing a new upright cleaner, as well as overall price increases resulting from the inflationary economy, sales of these units priced under $70 are projected down 10% from last year.

Uprights priced from $71 to $100 are pegged up 2%; those in the $151 to $250 range, at 16% and units over $250, are forecast to have a 7% share.

Canister-type sales follow a similar trend with those carrying retail tickets of over $100 taking a 6% market share away from the lower-priced units.

Lightweight sales by type of retail outlet forecast catalog showrooms and discount stores will cut in on business done a year ago by department stores, home improvement centers and housewares/hardware stores.

Unit sales of lightweight cleaners by retail price range put 51% of 1980 business in the $31 to $50 range.

Those carrying tickets of under $20 (2%) and over $50 (12%) remain unchanged from a year ago, while uprights in the $21 to $30 bracket are expected to have a 2% decrease in unit sales. ●

Floor Care Unit Sales

	*1980**	*1979**	*% Change*
Vacuum Cleaners, Total*	8,750	8,922	-2
Canister	2,906	3,094	-6
Upright	4,242	4,200	+ 1
Lightweight, Total*	1,602	1,628	-2
Hand-Held	374	353	+ 6
Sticks	1,228	1,275	-4
Carpet Sweepers	1,365	1,300	+ 5
Floor Polishers	448	512	-13

Canister & Upright Vacuum Sales by Type of Retail Outlet

	% 1980	*% 1979*
Appliance/tv	4	4
Catalog Chain (Sears, Penney's etc.)	25	25
Catalog Showroom	16	13
Department Store	18	19
Discount Store	12	12
Door-to-Door	9	10
Furniture Store	2	2
Home Improvement Center	2	2
Housewares/Hardware	3	3
Vac Shop	8	9
Other	1	1

Upright Vac Sales by Retail Price Range

	% 1980	*% 1979*
Under $70	29	39
$71 - $100	30	28
$101-$150	18	16
$151 - $250	16	17
Over $250	7	17

Canister Vac Sales by Retail Price Range

	% 1980	*% 1979*
Under $ 50	14	17
$51 - $ 70	12	13
$71 - $100	26	28
$101 - $150	11	42
Over $150	37	42

Lightweight Sales by Type of Outlet

	% 1980	*% 1979*
Appliance/tv	5	5
Catalog Chain (Sears, Penney's, ect.)	13	13
Catalog Showroom	20	15
Department Store	23	26
Discount Store	22	20
Drug Chain	3	3
Furniture Store	2	4
Home Improvement Center	3	5
Housewares/Hardware	3	4
Vac Shop	3	3
Other	3	2

Lightweight Sales by Retail Price Range

	% 1980	*% 1979*
Under $20	2	2
$21 - $30	35	37
$31 - $50	51	49
Over $50	12	12

6th Annual Housewares Statistical & Marketing Report

CLOCKS

Clock Unit Sales

	1980*	1979*	% Change
Clocks, Grand Total**	27,089	26,664	+2
Decorative Wall, Total	5,208	5,066	+3
Electric	1,855	1,867	-1
Battery, Total	3,100	2,908	+7
Quartz	2,588	2,264	+14
Non-Quartz	512	644	-21
Key-Wind	253	291	-13
Kitchen Wall, Total	6,300	6,284	N.C.
Electric	3,103	3,302	-6
Battery, Total	3,197	2,982	+7
Quartz	2,882	2,609	+10
Non-Quartz	315	373	-16
Alarm, Total	14,666	14,417	+2
Electric	6,789	6,688	+2
Battery (Quartz)	4,399	4,180	+5
Key-Wind	3,478	3,549	-2
Desk/Table/Occasional, Total	915	897	+2
Electric	164	165	-1
Battery, Total	490	472	+4
Quartz	395	378	+4
Non-quartz	95	94	+1
Key-Wind	261	260	N.C.

Clock Sales by Type of Outlet

	% 1980	% 1979
Catalog Chain (Sears, Penney's, etc.)	18	18
Catalog Showroom	20	17
Department Store	12	15
Discount Store	29	29
Drug Chain	5	3
Furniture Store	1	1
Home Improvement Center	2	2
Housewares/Hardware	6	6
Jewelry Store	5	7
Other	2	2

Analog Clock Unit Sales

	1980	1979	% Change
Total*	21,523	21,442	N.C.
Decorative Wall	4,737	4,610	+ 3
Kitchen Wall	6,458	6,158	+ 5
Alarm	9,467	9,804	- 3
Desk/Table/Occasional	861	870	- 1

Digital Clock Unit Sales

	1980	1979	% Change
Total*	5,566	5,222	+ 7
Decorative Wall	454	456	N.C.
Kitchen Wall	129	126	+ 2
Alarm	4,955	4,613	+ 7
Desk/Table/Occasional	28	27	+ 4

Analysis

Quartz movement marks strong time

Clock unit sales are set at 27 million for this year, a 2% gain over 1979. In every group, quartz is coming on strong. Its greatest strength can be seen in wall clocks—decorative models are projected for a 14% increase and kitchen units are up 10%.

Here the big losers are the non-quartz battery models with key-wind decoratives in second place, followed at some distance by electric clocks.

In the alarm clock group, electric units are projected to account for almost half of sales, slated for a 2% gain over last year. Even here, however, quartz has a strong second place position with a 4.4 million unit sales projection.

With a 2% increase forecast, desk/table/occasional clock unit volume equals 915,000. The quartz sement is the strongest, estimated 4% ahead of 1979, for a total volume of 395,000 units.

Sales shifts by type of retail outlets

Catalog showrooms and drug chains, with 3% and 2% gains forecast, respectively, will have a larger piece of the clock action this year. Set to lose business by like amounts are department and jewelry stores. Shares for the other retail outlets listed are in a holding pattern at last year's levels.

Total analog clock unit sales show no statistically significant change from 1979. Wall clocks are forecast ahead while alarms and desk/table/occasional models are seen off.

According to industry estimates, unit sales of digital clocks are set 7% ahead of the previous year.

Digital alarms, which account for the greatest volume—almost five million units—are projected up 7%. Digital desk/table/occasional clocks are slated for a 4% increase; kitchen wall units are seen 2% ahead and no change is forecast for digital decorative wall clocks. ●

6th Annual Housewares Statistical & Marketing Report

HOME SECURITY

Home Security Unit Sales

	1980	1979	%Change
Home Security, *Total	17,282	16,858**	+ 3
Smoke Detectors	6,784	6,600	+ 3
Fire Extinguishers	4,788	5,000	- 4
Intrusion Systems	594	475	+ 25
Timers	4,778	4,550	+ 5
Smoke/Fire/ Intrusion Combos	338	233	+ 45

Home Security Sales by Type of Outlet

	%1980	%1979
Catalog Chain (Sears, Penney's, etc.)	19	18
Catalog Showroom	11	11
Department Store	5	11
Discount Store	26	26
Drug Chain	3	2
Electronic Specialty Store	2	3
Housewares/Hardware	13	11
Home Improvement Center	14	11
Mail Order	2	2
Variety Store	1	1
Other	4	4

Smoke Detector Sales by Retail Price Range

	%1980	%1979
Under $10	18	15
$11 - $25	77	77
$26 - $50	4	6
Over $50	1	2

Intrusion System Sales by Retail Price Range

	%1980	%1979
Under $25	17	16
$25 - $49	13	14
$50 - $74	17	17
$75 - $99	17	19
$100 -$125	12	11
Over $125	24	23

Combination Systems by Retail Price Range

	%1980	%1979
Under $100	7	8
$100 -$199	52	50
$200 - $299	33	32
$300 -$399	4	5
$400 -$500	3	4
Over $500	1	1

Analysis

Intrusion device sales creep to half million

Based on industry estimates intrusion devices and smoke/fire/intrusion combination systems are projected for the largest percentage increases over 1979 in this area. The former are expected to pass the half-million mark in unit sales with a 25% gain and the latter are slated up 45% to 338,000 units.

Smoke detectors account for the largest share of the home security market. Unit sales for this year are forecast at almost 6.8 million, a 3% increase from the 6.6 million shipped a year ago.

A newcomer to this category statistically, but certainly no newcomer to the marketplace, timers approach the five-million mark, up 5% over last year.

The sophistication of some of the new models with multiple settings capability—one offers up to 48 on/off applications at 15 minute intervals—and variable-setting features, as well as reasonable prices, make houses look very occupied when no one is home. One of the best ways to discourage would-be intruders.

The only home security item set for a fall this year is fire extinguishers. They are projected down 4%, from five million to 4.8 million units.

Sales by type of retail outlet indicate department stores are projected to lost a 6% market share and electronic specialty shops will be off 1%. Picking up this business are home improvement centers (3%), housewares/hardware stores (2%), drug and catalog chains (1% each).

Sales by retail price range place 95% of smoke detectors in the $25 and under range; 64% of intrusion devices under $100 and 92% of the combination systems under $400.

AIR TREATMENT

Air Treatment Unit Sales

	1980	1979	%Change
Fans, Total*	13,765	13,374**	+ 4
Window	5,089	4,756	+ 7
Kitchen/Bathroom Built-In Exhaust	2,880	3,000	-4
Range & Oven Hood	2,325	2,500	-7
Desk, Bracket, Pedestal	1,429	1,265	+ 13
Roll-About	599	566	+ 6
Hassock or Floor	362	362	N.C.
Ceiling	1,081	825**	+ 31
Electric Heaters, Total	4,935	4,957	N.C.
Fan-Forced	3,367	3,805	-12
Non-Fan-Forced	190	207	-8
Baseboard	390	445	-12
Quartz	988	500	+ 98
Humidifiers	800	850	-6
Vaporizers	1,525	1,400	+ 9

(*final 000's omitted)
(**revised)

Fan Sales by Type of Outlet

	% 1980	% 1979
Appliance/tv	2	2
Catalog Chain (Sears, Penney's, etc.)	18	16
Catalog Showroom	8	6
Department Store	8	10
Discount Store	44	42
Drug Chain	3	4
Home Improvement Center	5	6
Housewares/ Hardware	12	14

Heater Sales by Type of Outlet

	% 1980	% 1979
Appliance/tv	3	5
Catalog Chain (Sears, Penney's, etc.)	16	15
Catalog Showroom	11	11
Department Store	12	15
Discount Store	34	34
Drug Chain	1	1
Home Improvement Center	5	4
Housewares/ Hardware	16	15
Other	2	0

Humidifier Sales by Type of Outlet

	% 1980	% 1979
Appliance/tv	4	4
Catalog Chain (Sears, Penney's, etc.)	46	46
Catalog Showroom	13	12
Department Store	6	8
Discount Store	22	22
Home Improvement Center	1	1
Housewares/Hardware	8	7

Window Fan Sales by Size

	% 1980	% 1979
12-inch	9	12
16-inch	37	36
20-inch	54	52

Desk & Bracket Fan Sales by Size

	% 1980	% 1979
8-inch	3	4
9-inch	16	15
12-inch	42	38
16-inch	39	43

Analysis

Ceiling units help move fan sales up

Industry estimates put unit sales of fans 4% ahead of 1979. Window fans, desk & bracket and roll-abouts all show gains (7%, 13% and 6%, respectively). However, the really big news in this category is the resurgence of ceiling fans, projected for a volume of over one million units.

Decreases are slated for both kitchen/bathroom built-in exhaust fans and range hoods, reflecting the drop in housing starts reported for the year.

Quartz units boost heater sales

Giving heater sales overall a "no change" from 1979 are the quartz units—with a projected 98% increase, they near the one-million count.

While some of the quartz sales are undoubtedly "add-on," the bulk appear to be taking share of market away from all other types . . . they are set for decreases ranging from 8% to 12%.

Of the other two products tracked in the air treatment category, humidifiers are seen off 6% and vaporizers, ahead 9%.

Fan sales by type of retail outlet show catalog chains, catalog showrooms and discounters each picking up a 2% share in this market. Their gains appear to come from losses of 1% and 3% in department stores, home improvement centers and housewares/hardware stores. Appliance/tv dealers maintain the 2% share of sales held in 1979.

Department store heater unit sales are forecast off 3% and appliance/tv stores, 2%. Gains of 1% are projected for catalog chains, home improvement centers and housewares/hardware stores.

The 16-in. and 20-in. window fans are projected to gain shares of unit sales. The 12-in. size is set for a decrease.

In the desk & bracket fans, the middle range—nine-inch to 12-in. sizes—is expected to show the greatest strength as the small eight-inch, and large 16-in. models lose ground. ●

OUTDOOR PRODUCTS

Analysis

Stay-at-homes good for BBQ grill sales

Outdoor Products Unit Sales

	1980*	1979	% Change
Barbecue Grills, Total	11,714	11,098**	+6
Gas	1,433	1,327	+8
Electric	137	136**	+1
Charcoal, Total	10,144	9,635**	+5
Braziers	1,100	1,100**	N.C.
Fireplace	8	8**	N.C.
Hibachis	2,563	2,330	+10
Picnic Grills	3,674	3,602	+2
Smokers	2,556	2,345	+9
Wagons	243	250**	+3
Power Mowers, Total	6,176	6,814	-9
Walk Behind	5,200	5,760	-10
Riding	753	812	-7
Garden Tractors	223	242	-8
Line Grass Trimmers	7,175	7,250	-1
Snow Throwers, Total	907	1,082	-16
Single-Stage	632	784	-19
Two-Stage	275	298	-8

(* final 000's omitted)
(**Revised)

Grill Sales by Type of Outlet

	% 1980	% 1979
Appliance/tv	8	8
Catalog Chain (Sears, Penney's etc.)	19	18
Catalog Showroom	9	9
Department Store	4	5
Discount Store	32	30
Home Improvement Center	6	7
Housewares/Hardware	6	6
L.P. Gas Dealers	11	10
Other	5	7

A 6% increase is forecast this year for all barbeque grills making a total of 11.7 million. Gas grills will almost hit the 1.5-million mark with an 8% gain.

Electric grills are seen up 1% which will bring the total to 137,000 units.

Charcoal units pass the 10-million level with a 5% increase forecast, keeping them far and away the biggest volume item in this category.

Increases of 10%, 2% and 9% are projected for hibachis, picnic grills and smokers, respectively. No change from 1979 is expected for braziers and fireplace grills; wagons are slated for a decrease of 3%.

Except for one or two percentage points, unit sales of grills by type of retail outlets remain about the same as a year ago.

By retail price range, almost two-thirds (65%) of all gas grills sell for $200 or less. Ninety-four percent of electric grills are expected to be ticketed for $100 and under.

Weather strikes power equipment

The weather more than the economy has put projections of power mower, snow thrower and line trimmer unit sales way down for the season.

Total power mower sales are forecast off 9%; the 5.2 million level set for walk-behind units is 10% down from 1979. Riding mower volume set at 753,000 is down 7% and garden tractor sales projections of 223,000 reflect an 8% decline.

Total snow thrower units sales drop below the one-million mark with a 16% decrease forecast. The single stage units are seen off 19% and the two stage, 8%.

Still holding above the seven-million unit count, line grass trimmers are forecast for a 1% drop in volume this year.

Reflecting inflationary price increases, no walk behind power mowers are slated to sell under $70. The most popular price points will range from $75 to $200—85% of projected volume falls in this bracket.

Snow thrower sales by price range show 71% selling from under $100 to $400.

Outdoor Power Equipment Sales by Type of Outlet

	% 1980	% 1979
Catalog Chain (Sears, Penney's etc.)	27	28
Catalog Showroom	3	3
Department Store	4	4
Discount Store	18	18
Home Improvement Center	6	5
Housewares/Hardware	18	18
Other	6	6

Gas Grill Sales by Retail Price Range

	% 1980	% 1979
Under $100	17	24
$100 - $200	48	39
$201 - $300	21	22
$301 - $400	11	11
Over $400	3	4

Electric Grill Sales by Retail Price Range

	% 1980	% 1979
Under $60	43	37
$60 - $70	14	15
$71 - $80	16	18
$81 - $90	11	13
$91 - $100	10	11
Over $100	6	6

Walk-Behind Power Mower Sales by Retail Price Range

	% 1980	% 1979
Under $70	0	2
$71 - $100	17	16
$101 - $150	38	38
$151 - $200	19	18

Walk-Behind Power Mower Sales by Size

	% 1980	% 1979
19-inch & under	13	12
20-inch	36	38
21-inch	25	25
22-inch	26	25

Snow Thrower Sales by Retail Price Range

	% 1980	% 1979
Under $200	7	10
$201 - $300	48	44
$301 - $400	16	16
$401 - $500	9	10
Over $500	20	20

PLASTICWARE

Plasticware Unit Sales

	1980*	1979*	% Change
Canister Sets	3,857	4,060	-5
Dish Drainers	6,755	6,521	+4
Ice Buckets	1,228	1,275	-4
Organizers	30,873	29,125	+6
Soap Dishes	2,997	2,975	+1
Wastebaskets	12,234	11,871	+3

(* final 000's omitted)

Plasticware Sales by Type of Outlet

	% 1980	% 1979
Catalog Chain (Sears, Penney's etc.)	18	20
Catalog Showroom	8	6
Department Store	10	12
Discount Store	27	25
Drug Chain	5	4
Housewares/Hardware	8	8
Supermarket	14	13
Variety	4	4
Other	6	8

Analysis

Organizers lead 'staple' strength

Of the half dozen items tracked in this category, four are expected to show gains over 1979. All of these are definitely "staples," which is certainly indicative of where the bulk of plasticware business still is today.

Leading this group with a 6% increase projected are the organizers—part of the ever-growing storage scene, as well as longtime household necessities—at a count above 30-million units. Next come dishdrainers forecast 4% ahead of 1979: wastebaskets, 3% ahead and soap dishes, up 1%.

Canister sets, estimated at 3.85 million units are off 5% and ice buckets set to total just over 1.2 million in volume, are marked for a 4% decrease.

Units sales by type of retail outlet show catalog showroom and discount stores each gaining 2% shares in this market. Department stores and catalog chains, conversely, are set to lose 2% shares.

Industry estimates show drug chains and supermarkets each picking up one percentage point in 1980 plasticware sales. No change is forecast for housewares/hardware or variety stores.

Other types of retail outlets which include specialty shop are slated for a 2% drop in unit sales.

Merchandising's TOP 50

	Last month's position	Months on chart
1. **Alien** *(Magnetic Video)***	4	2
2. **"10"** *(WCI Home Video)*	1	4
3. **Superman** *(WCI Home Video)*	2	7
4. **The Muppet Movie** *(Magnetic Video)*	3	3
5. **Animal House** *(MCA Distributing)*	5	3
6. **Enter the Dragon** *(WCI Home Video)*	11	5
7. **A Star is Born** *(WCI Home Video)*	21	2
8. **The Godfather** *(Paramount Home Video)*	7	14
9. **Grease** *(Paramount Home Video)*	6	6
10. **Emmanuelle** *(Columbia Pictures Homes Entertainment)*	16	4
11. **Norma Rae** *(Magnetic Video)*	8	3
12. **Blazing Saddles** *(WCI Home Video)*	9	6
13. **Jaws** (MCA Distributing)	10	3
14. **Electric Horseman** *(TVX Distributors(*	13	2
15. **The Boys from Brazil** *(Magnetic Video)*	N	1
16. **The Godfather II** *(Paramount Home Video)*	15	11
17. **Saturday Night Fever** *(Paramount Home Video)*	12	14
18. **The Jerk** *(MCA Distributing)*	38	2
19. **The Deer Hunter** *(MCA Distributing)*	31	3
20. **Smokey and the Bandit** *(MCA Distributing)*	14	3
21. **Halloween** *(Media Home Entertainment)*	18	4
22. **M*A*S*H** *(Magnetic Video)*	17	23
23. **The Sound of Music** *(Magnetic Video)*	22	18
24. **"1941"** *(MCA Distributing)*	36	2
25. **Midnight Express** *(Columbia Pictures Home Entertainment*	19	4
26. **Silver Streak** *(Magnetic Video)*	24	6
27. **The In-Laws** *(WCI Home Video)*	25	5
28. **Heaven Can Wait** *(Paramount Home Video)*	23	6
29. **The Exorcist** *(WCI Home Video)*	26	6
30. **Hooper** (WCI Home Video)	40	5
31. **Patton** *(Magnetic Video)*	27	23
32. **Foul Play** *(Paramount Home Video)*	44	6
33. **All the President's Men** *(WCI Home Video)*	N	5
34. **The Graduate** *(Magnetic Video)*	47	20
35. **The Omen** *(Magnetic Video)*	37	4
36. **Murder on the Orient Express** *(Paramount)*	46	11
37. **Dirty Harry** *(WCI Home Video)*	20	6
38. **Barbarella** *(Paramount Home Video)*	30	11
39. **The African Queen** *(Magnetic Video)*	29	14
40. **Oh God!** *(WCI Home Video)*	34	5
41. **The Wild Bunch** *(WCI Home Video)*	28	4
42. **Butch Cassidy & the Sundance Kid** *(Magnetic Video)*	33	11
43. **Harold & Maude** *(Paramount Home Video)*	N	6
44. **Hello Dolly** *(Magnetic Video)*	N	22
45. **Tora! Tora! Tora!** *(Magnetic Video)*	35	23
46. **The French Connection** *(Magnetic Video)*	43	23
47. **Death Wish** *(Paramount Home Video)*	N	7
48. **The Deep** *(Columbia Picture Home Entertainment)*	39	7
49. **Chinatown** *(Paramount Home Video)*	N	7
50. **The Longest Yard** *(Paramount Home Video)*	49	7

***Companies in parentheses are distributors.*
**Survey is based on retail sales.*

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Retail Opinion File

A majority of housewares retailers expect 1980 holiday sales to exceed those of 1979

Fifty-three percent of housewares retailers responding to this month's Retail Opinion File expect Christmas sales to be above those of 1979. Another 33% see them unchanged. Only 14% are looking for a down year.

As one respondent commented, "We will have a good year because we intend to work harder to make more sales. Our store will be open more evenings as a convenience for working couples."

Automatic drip coffeemakers and toaster/toaster ovens tie for top honors as the housewares categories retailers responding believe will bring in the highest volume of business in the fourth quarter.

Food processors come next with 30%; followed by cornpoppers, heaters and non-stick cookware, each getting a 23% vote.

Ranging from 16% to 14% are vacuum cleaners, hair dryers, conventional cookware, irons and clocks.

Top 12 support basics claims

These top 12 items support previously reported claims that this will be a very "basic" year for housewares.

While a number of retailers replying indicated promotions and advertising were very important this year, 51% stated their expenditures for same will remain unchanged.

Thirty-nine percent feel they will spend from 1% to over 15% more—the greatest number, 20%, see the increase in the 6% to 10% range. Only 10% feel they will spend less.

Despite the fact that Thanksgiving falls late this year, only 19% of housewares retailers answering said they expect Christmas consumer buying to begin later. Over half, 55% believe it will be about the same as 1979 and 26% think it might begin earlier.

More shopping for best price

One reason given for thinking the season might begin earlier is that "there wil be a lot more shopping for best price," as one merchant commented.

The split between those housewares dealers who expect consumers to be more reluctant to buy on credit and those that don't is very narrow this year-49% don't expect less charging this Christmas while 42% believe there will be a reduction. The other 9% were undecided.

As tickets for housewares products get higher with the introduction of sophisticated electrics—food processors and convection ovens—and cookware sets priced from $150 to over $500, Christmas layaway plans are becoming a factor in this marketplace. All but 7% of the respondents used layaways in 1979 and plan to use them again this year.

Of the 93% that have used layaway plans both years, 58% expect them to be used more heavily this year. Supporting this trend are the 26% of housewares retailers who expect consumers to begin shopping earilier for Christmas this year, as well as the 42% who feel they will be more reluctant to buy on credit.

A purchase large enough to merit a layaway plan arrangement, will have to be picked out early so it is paid for by Dec. 24.

Coffeemakers are heavies

Asked which *one* product dealers will give the heaviest promotional push to this Christmas, most (16%) responded with coffeemakers; vacuum cleaners and cookware were a close second with 14% each; convection ovens, heaters and food processors each had an 8% share of the vote.

What at first seemed surprising is that only 3% picked cornpoppers, a natural for the holidays. That, of course, may well be the reason they don't have to be given promotional emphasis.

Other products included blenders, irons, home security devices and SilverStone cookware. If the 5% cited by respondents for the latter is added to the 14% given for "cookware," it places this category outfront with a 19% total.

Almost three-fourths of housewares retailers responding to the Opinion File plan to have about the same sales help for Christmas this year as they had in 1979. Seven percent expect to hire less extra holiday help, 5% more, and 17% indicated they "don't hire extra help."

Coffeemakers seen big for holidays

What change do you expect in your Christmas sales in 1980 compared to 1979?	
Up over 20%	4%
Up 16-20%	15%
Up 11-20%	14%
Up 6-10%	14%
Up 1-5%	6%
Unchanged	33%
Down 1-5%	2%
Down 6-10%	8%
Down over 10%	4%

Which of the following is likely to be your highest volume housewares category during the fourth quarter of 1980?	
Automatic drip coffeemakers	33%
Toaster/Toaster-ovens	33%
Food processors	30%
Cornpoppers	23%
Heaters	23%
Non-stick cookware	23%
Vacuum cleaners	20%
Microwave cookware	16%
Hair dryers	15%
Conventional cookware	14%
Clocks	14%
Irons	14%
Home security devices	8%
Blenders	7%
Convection ovens	2%
Scales	2%

**Adds to more than 100% because of multiple replies.*

What canges do you expect in your expenditures for Christmas advertising and promotion in 1980 compared with 1979?	
Up over 15%	6%
Up 11-15%	6%
Up 6-10%	20%
Up 1-5%	7%
Unchanged	51%
Down 1-5%	1%
Down 6-10%	3%
Down 11-15%	4%
Down over 15%	2%

Do you expect Christmas consumer buying to begin earlier or later in 1980 than it did in 1979?	
Earlier	26%
About the same	55%
Later	19%

Do you expect any reluctance by consumers to buy on credit this holiday season?	
Yes	42%
No	49%
No opinion	9%

With regard to Christmas layaway plans:

(a) In which of the following years did you use them?	
1979	3%
1980	4%
Both	93%

(b) If both, do you expect it to be used more heavily in 1980?	
Yes	58%
No	31%
No opinion	11%

To which one product do you expect to give the heaviest promotional push this holiday selling season?	
Coffeemakers	16%
Vacuum cleaners	14%
Cookware	14%
Convection ovens	8%
Heaters	8%
Food processors	8%
Pasta machines	5%
Toasters	5%
Hair dryers	5%
Cornpoppers	3%
Other	14%

At this time do you plan to hire as much extra sales help as you did last year for Christmas selling?	
More help	5%
About the same	71%
Less help	7%
Never hire extra help	17%

Retail Opinion File

Electronics dealers are generally optimistic about the upcoming Christmas selling season

Consumer electronics retailers are generally—perhaps even surprisingly—optimistic about this coming Christmas selling season—all things considered.

In their responses to *Merchandising*'s Retail Opinion File survey, many of them complained about the economy, tight credit, low level store traffic and even product saturation (mostly audio), but almost half of the respondents indicated a belief that sales will be better this Christmas selling season than they were for the same period in 1979. Another 34% estimated their home electronics sales will be about the same as a year ago and 21% said they're looking for lower sales this Christmas.

Many retailers said they expect consumers to be much more cautious in their buying this year and about one-quarter of the retailers responding said they expect consumers to make their purchases later in the year than they did in '79.

"People are probably going to shop more with price being bigger factor," wrote an audio/hifi specialty operator.

Several other retailers agreed.

"Consumers will shop more and not do as much impulse buying," another hifi specialist noted.

Still another retailer wrote: "There could be a trend for more conservative purchases and the more practical gifts. This could hurt sales of the more deluxe items."

Customers concerned about quality

As many merchants commented that people would be as interested in price as said they expect consumers to be more concerned this year about quality.

"People will be shopping price," one retailer noted, "and this will make it more competitive for the dealer."

Others are concerned about unemployment, particularly those in areas hardest hit by general layoffs and plant closings.

A hifi specialist located in a Detroit suburb said his Christmas business will depend on 1981 automobile model introductions and expectations for auto sales in 1981. "Christmas will break down pent-up demand as it did in '79," this retailer wrote, "but overall results will depend on the economy and—very important—the November election results. Any change will give people 'hope' and probably will encourage buying. Let's hope so."

A plus location these days seems to be Atlantic City, N.J. "It's about six miles away," a dealer told us, "and going crazy with construction and casinos. We expect a banner year and great Christmas sales. The population is rising every day and each month shows an increase in floor traffic and sales."

Several retailers focused their comments on the November elections, and were unusually partisan.

"The election will be over and hopefully a change in political leaders will give consumers a better outlook on the economy. I think it will be a good Christmas season, especially for those stores that buy their video inventories early. I think December will see a shortage in VCR machines and accessories."

Asked what one aspect about this Christmas selling season may differ from previous years, one dealer wrote that consumers' buying power is dwindling along with their savings and the higher cost of living. "We need a big change in Washington if this country is to survive, which at this writing I have very little hope for."

'Government policy is a mess'

Another wrote: "Government policy toward inflation, unemployment benefits and taxes is a mess. We need more unemployment benefits. Let's get money into the hands of consumers."

Interestingly, although hifi sales haven't been very strong this year, more than half (actually 54%) of the survey respondents identified hifi as "likely" to be one of their highest volume electronics categories during the fourth quarter when asked to check off products from a list in our questionnaire.

However, to the question about which *one product* they expected to give their heaviest promotional push this Christmas selling season, retailers were invited to simply write in that product. Again, the biggest majority mentioned audio and hifi products, but a very small percentage (1% in each case) selected either videodisc players, currently in limited distribution in only certain market areas, and projection tv, a very high ticket item by most consumer standards.

Ad budgets about the same as '79

Most retailers also said they expect to spend about as much this year on advertising and promotions at Christmas time as they did in '79, but a fairly significant number (about 29%) also said they'll spend more this year.

One of the more optimistic retailers commented that sales this Christmas will be "better" than last year's. But then he added, "I hope."

Hifi seen as volume winner

What change do you expect in your Christmas sales in 1980 compared to 1979?

Up over 20%	6%
Up 16-20 %	6%
Up 11-15%	7%
Up 6-10%	20%
Up 1-5%	6%
Unchanged	34%
Down 1-5%	2%
Down 6-10%	8%
Down 11-15%	4%
Down 16-20%	5%
Down over 20%	2%

Which of the following is likely to be your highest volume electronics category during the fourth quarter of 1980?*

Hifi components	54%
Color tv	49%
Compact stereo	36%
Autosound	34%
Videocassette recorders	24%
Portable tape recorders	21%
Clock radios	12%
Radios	12%
Tv games	12%
Electronic games	11%
Prerecorded videocassettes	6%
Calculators	4%
Personal Computers	2%
Telephones	1%
Telephone answerers	1%

**Adds to more than 100% because of multiple replies.*

What change do you expect in your expenditures for Christmas advertising and promotion in 1980 compared to 1979?

Up over 20%	37%
Up 16-20%	4%
Up 11-15%	3%
Up 6-10%	15%
Up 1-5%	4%
Unchanged	58%
Down 1-5%	1%
Down 6-10%	6%
Down 11-15%	2%
Down 16-20%	2%
Down over 20%	2%

Do you expect Christmas consumer buying to begin earlier or later in 1980 than it did in 1979?

Earlier in '80	21%
About the same	55%
Later in '80	24%

Do you expect any reluctance by consumers to buy on credit this Christmas selling season?

Yes	49%
No	42%
No opinion	9%

With regard to Christmas layaway plans:

A) In which of the following years did you use them?

1979 —	7%
1980 —	5%
Both —	88%

B) If "both," do you expect it to be used more heavily in 1980?

Yes	51%
No	37%
No opinion	12%

To which one product do you expect to give the heaviest promotional push this Christmas selling season?

Audio/hifi	29%
Color tv	20%
B/W tv	17%
VCR	12%
Autosound	10%
Computers	4%
Electronic games	3%
Tv games	2%
Videodiscs	1%
Prerecorded videocassettes	1%
Projection tv	1%

Do you plan to hire as much extra sales help for Christmas as you did last year?

More help	5%
About the same	54%
Less help	12%
Don't hire extra help	29%

For more Christmas planning, see pages 64-71

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A GRALLA PUBLICATION

OCTOBER 1980

Merchandising

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OCTOBER 1980

8th National Consumer Survey

A lot of new ground is covered in *Merchandising*'s eighth national Consumer Survey based on personal interviews with almost 1,000 consumers in the nine demographic regions of the country. In addition to the long-standing series of questions dealing with specific products in electronics, housewares and major appliances, as well as those covering such topics as consumer replacement plans and brand identification perception, this year's report includes other product categories — videodisc players, cookware, electronic games, convection ovens — and services — cable television and credit card use.

In addition to the hard statistical tabulations, Ron Schneiderman, editor, found what consumers are really thinking as he analyzed the data reported here.

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Cover photo by Nava Benjamini.

STORE OPERATIONS

48

Bloomingdale's video studio helps solve employee training problems

Bloomingdale's New York has found a solution to the dilemma of training new saleshelp during busy seasons — a video studio. Reporter Eileen Delaney believes even the small retailer might benefit from a modification of such a program.

According to Bloomingdale's director of training, Elaine Mimbach, the store has been using videotapes to train employees for about five years . . . not only new help gets the video message but those on the job wishing to advance and, occasionally, customers.

* * *

. . . *and:* CSSI reports teenage shoplifters most troublesome for discounters; Retail applications of minicomputers.

Happenings

60

• **Television rentals** are estimated at 5% of the nation's color set sales. Double-digit inflation along with dwindling savings have convinced many consumers that renting a color tv is a better deal than owning one.

• **U.S. Pioneer Electronics** LaserDisc optical videodisc player goes national and will be in virtually all markets by the end of this month. At its dealers' meeting in the Bahamas, the company also disclosed Christmas hifi programs.

• **The EPA's proposal** to limit chlorofluorocarbons (CFCs) that may be released into the atmosphere, if passed, will have a definite impact on the appliance industry. Bob Gatty gets reactions from some business executives and a rebuttal from an EPA analyst.

• **A shortage of video games** for the Christmas selling season is feared, William Silverman, associate editor reports. Despite valiant attempts by suppliers, dealers have held back on ordering and, as one manufacturer noted, "It's already too late."

PULSE: Items that make little spaces bigger

66

The high-cost of living space is helping buyers — particularly those in densely populated areas — sell the storage concept. Bill DeSiena, assistant editor, found that sales of grids, stackables, bins, baskets and canisters are ahead 10% to date over 1979.

Record stores expand previd stocks

44

Hikes of more than 50% in prerecorded videocassette sales are convincing record retailers to increase the number of titles they carry, as well as the number of outlets in which to sell the product. Not surprisingly, Joe Allen, associate editor, found most of the action heating up on the West Coast.

NFL bids for piece of VC pie

With an introduction of 20 prerecorded programs of football highlights, some National Football League execs are making a bid to compete in the videocassette market this year. Reporter Eric Menkes learned from David Grossman, director of video sales, that NFL Films has sold 13,000 cassettes to its distributor network.

* * *

. . . *and: Merchandising*'s Top 50.

Coming in November

★ 1981 Supplier Directory & Product Guide — the industry's first reference guide to housewares, major appliances and electronics.

★ 6th Annual Major Appliance Statistical & Marketing Report.

Trendings

6

• A fourth quarter bonanza appears underway for video sales . . . at least for those retailers who've successfully parlayed the trends to date.

• Air conditioner sales during the long hot summer plus innovative fall promotions have heightened the beat of major appliance movement at retail.

• More retailers are testing the marketability of home computers, following in the footsteps of Radio Shack which "has proven it's a quantity business."

• Catalog showrooms claim to be doing a better than ever job in audio/hifi sales. Manufacturers reluctantly tend to support this claim.

• Buyers report plastics remained hot during fall promotions lauched in holiday heat, but cookware sales cooled off some.

• BPs - basic products, best prices and barn-busting promotions — take center ring for exciting electric housewares business ahead.

Changes ahead for appliance dealers?

4

The FTC is taking a new look at two of its major regulations — energy cost labeling and warranty guidelines. The results could alter the way appliance dealers sell.

Product Picture

Housewares.......................53-55
Major Appliances.................56-57
Electronics......................58-59

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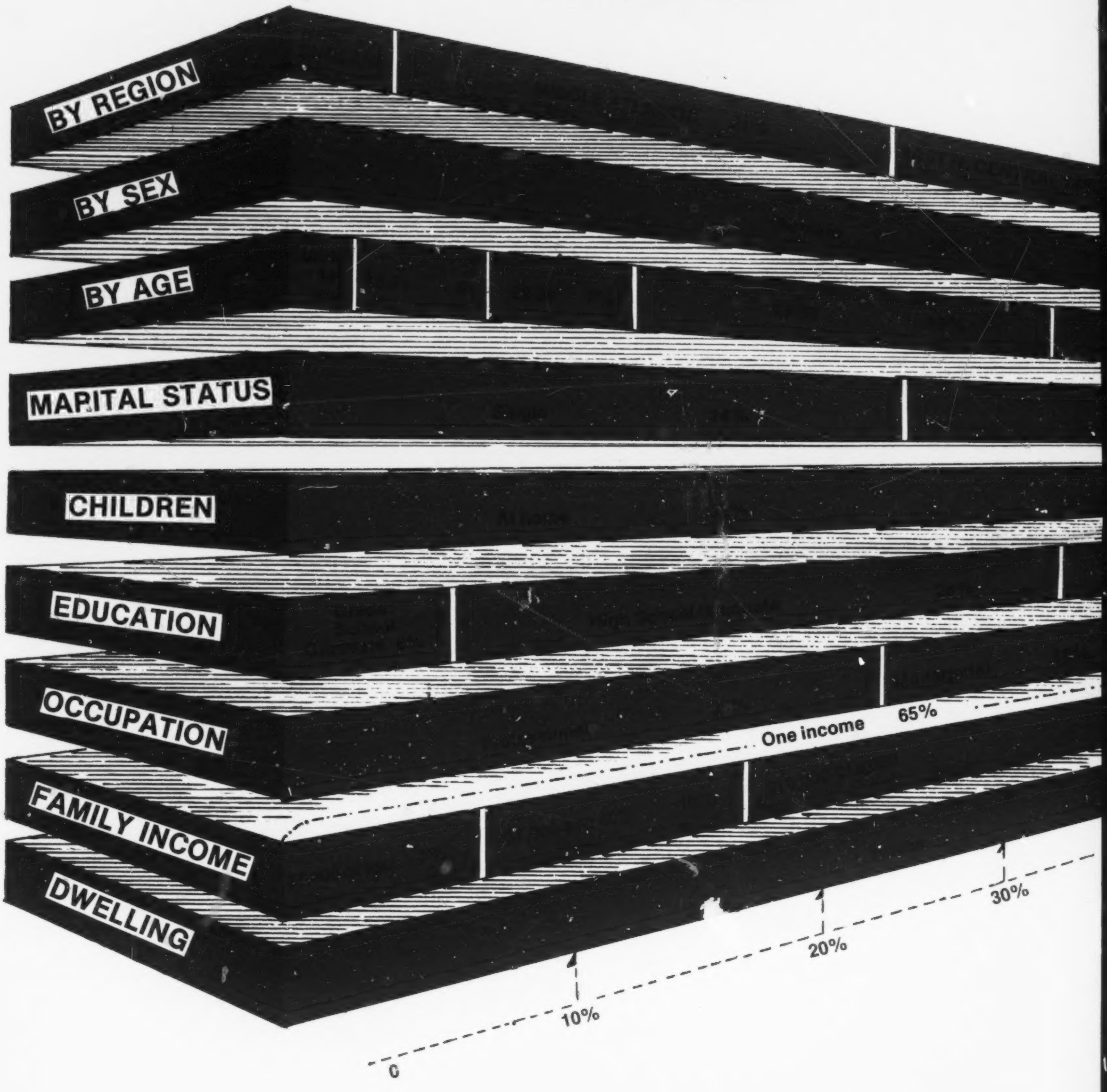
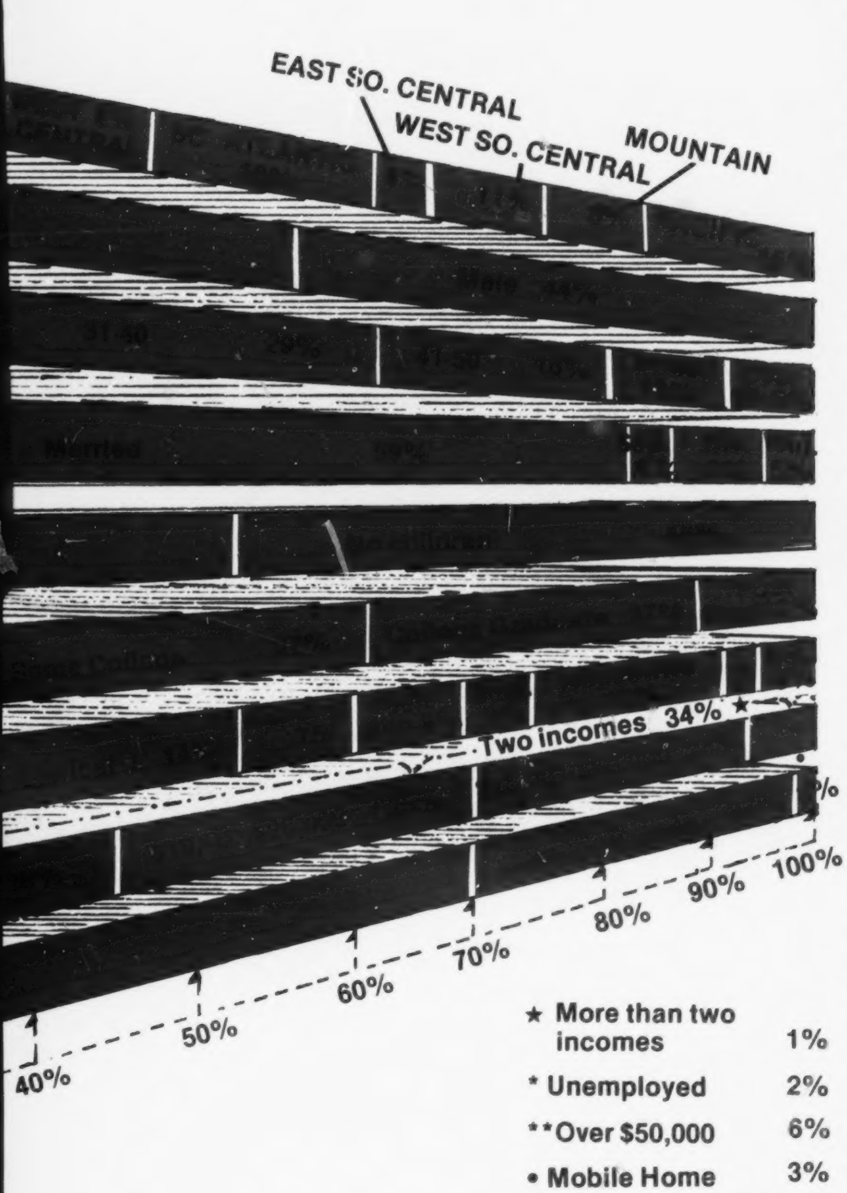
Merchandising
OCTOBER 1980

8th National Consumer Survey

Demographic Breakdown in Percentiles





Merchandising's eighth national Consumer Survey—based on personal interviews with 936 consumers in all of the nation's nine demographic regions—covers a lot of new ground. In addition to our longstanding series of survey questions dealing with television, videocassette recorders, hifi, car stereo, microwave ovens and food procesors and our forays into consumer replacement plans and brand identification perceptions, we have expanded this year's report to include other product categories and services; namely, videodisc players, cable television. electronic games, cookware, convection ovens and credit card use.

For the most part, we found that people really haven't changed much over the past year or so in terms of their attitudes, product knowledge and perceptions. They still like all the creature comforts—all the things that make life a little easier and more pleasant and, to be sure, more entertaining. But they're not necessarily ready, willing or able to pay the price for these things.

Many of the people we selected randomly for interviews said they would love to own a VCR. People who identified themselves as shift workers or just plain avid tv viewers said they thought VCR was a "neat" product, but it just didn't fit into the budget. As for videodisc, few people are familiar with it at this point, as might be expected. Cable tv is a must for many of those who don't already have access to it.

Clearly, people are shopping more to get exactly what they want and at the price they want to pay. And they're doing more homework. As one Greensboro, NC housewife told us: "There is so much consumer information available today, that any person willing to take the time should be able to select products with much more feeling of assurance than in years past."

We received several similar comments, including references to the attention consumers are receiving from federal and local government agencies and special interest groups.

A laboror said: "There are so many different brands today that any person buying an unfamiliar brand, without at least making a brief check, is almost in the same category as customers were in in the 'let the buyer beware' era."

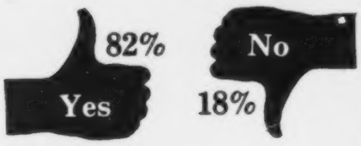
Credit cards were another concern. Close to half the people we interviewed said they expect to use their cards less in the near future and an even higher percentage said that means they plan to cut back overall on their purchases. The majority (74%) said they don't plan to open any new charge accounts in the next six months.

People were perhaps most vocal about the energy issue. In many cases, they thought they were doing their part, but didn't think others were. And significantly, they didn't believe they should have to pay a premium for a product that was specifically designed to be more energy efficient than its predecessor.

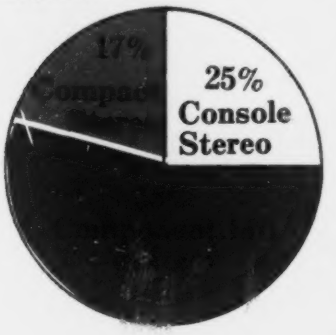
All in all, it is an interesting survey—and should be useful to all involved in marketing and merchandising.

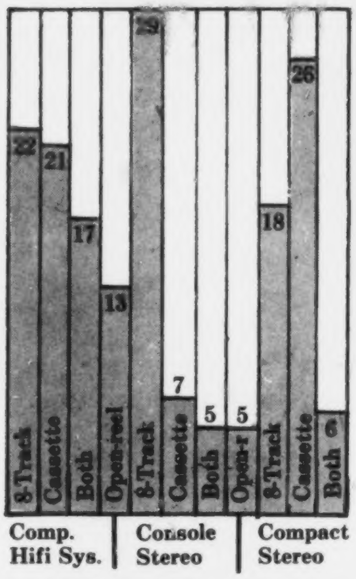
High Fidelity

Do you own a sound system?



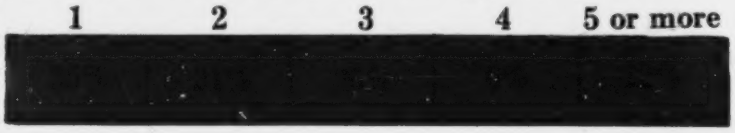
If yes, what kind of sound system do you own?



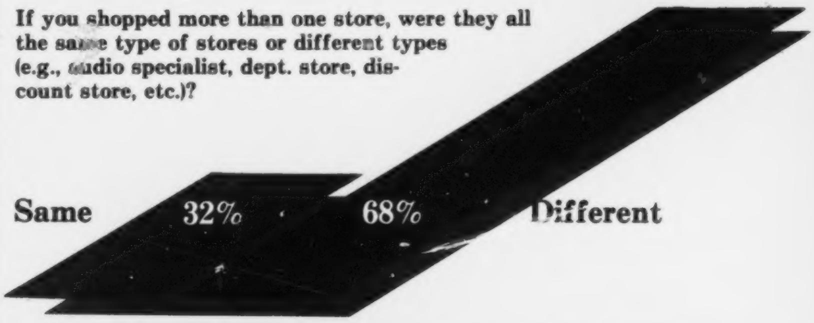


COMPONENT HIFI OWNERS ONLY

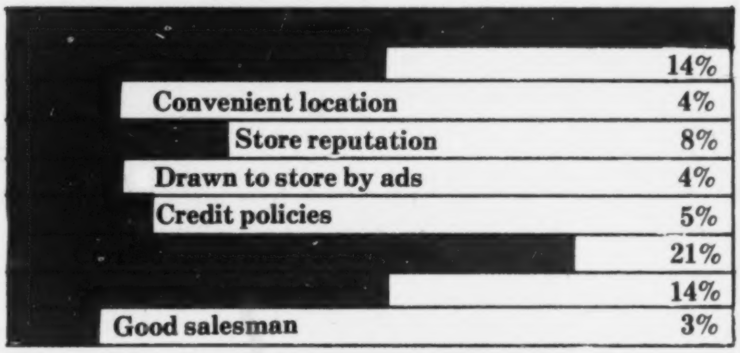
How many stores did you shop before making your hifi purchase?



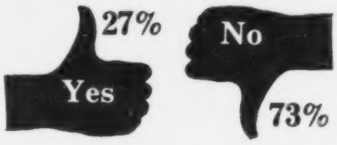
If you shopped more than one store, were they all the same type of stores or different types (e.g., audio specialist, dept. store, discount store, etc.)?

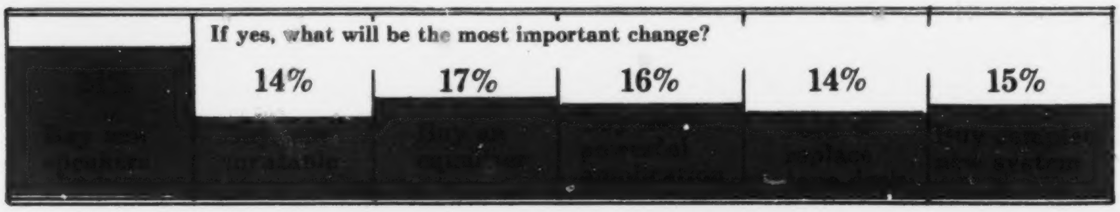


What was the more important factor in making your hifi purchase?



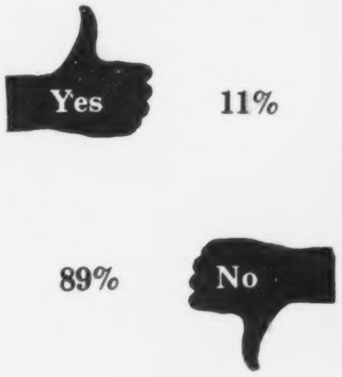
Are you considering upgrading or replacing your hifi system within the next six months?



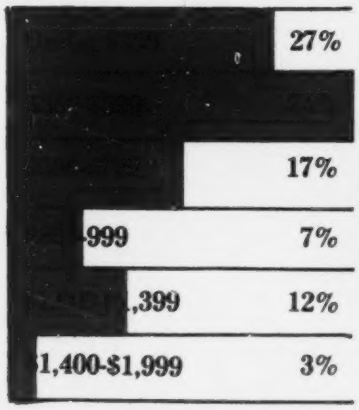


COMPONENT HIFI NON-OWNERS ONLY

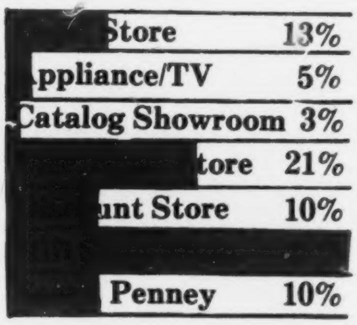
Are you considering buying one within the next six months?



If yes, what price would you expect to pay for a component hifi system?



Where would you expect to buy your hifi system?



Strong upgrade outlook seen for speakers and equalizers

Most of the people *Merchandising* interviewed own a sound system of some kind, usually component hifi.

Most of them shopped more than one store and most visited different types of stores before making a final purchase decision.

Clearly, lowest price was the number one factor in their purchase decision, but brand name carried some weight in that decision, as did product selection. At least 14% of the interviewees said the most important factor in making their hifi purchase was that they bought it in a store specializing in hifi products.

Strong upgrade outlook

Encouraging to suppliers and retailers around the country is that more than a fourth (27%) of the interviewees said they expect to upgrade or replace their hifi systems within the next six months.

In most cases, they'll be looking for new speakers, but other components, such as equalizers, amplifiers, turntables and tape decks, also showed up well in this survey.

And 15% said they're considering purchasing a completely new hifi system within the next six months.

Among non-hifi owners, 11% said they're in the market for a system or soon will be. Well over half of these people (62%) indicated they will spend up to $600 for a system. However, another 17% said they would expect to spend from $600 to $800 for a new hifi components package.

"The only way to buy hifi," a Baltimore man told one interviewer, "is to know exactly what you want and then shop price. I must have $4,000 in hifi equipment and I learned that once you select exactly what you want, the price is the only thing that matters."

Prefers to pick and choose

A woman in her mid-thirties in Minneapolis said she purchased her hifi components at three different stores to get exactly what she wanted. "We feel that manufacturers sometimes do better at some things but not others. It isn't necessary to stick to one brand to make a package," she said.

A Pittsburgh mother of four said, "We would love to have a good component hifi outfit—somewhere around $1,250—someday. But right now we can't see our way clear. The same is true for VCR and videodisc. We'd really like them, but they are just more than we can afford."

"We looked in too many places," another woman said. "When you go into one place you become a victim to dozens of different brands in front of you. I finally just picked one to get it over with."

An Alameda, CA man said, "When I bought my stereo equipment, I was in a hurry, so I just went into Radio Shack."

Best possible price

In Atlanta, a woman who recently purchased a hifi system said she shopped several stores "to get familiar with the brands, then I went back to the one with the lowest price. They

Another California man, a production line worker, said he "shopped around different places to find the components I needed at the best possible price."

Two more comments were most typical among those received:

"I don't know anything about hifi. My husband bought it and I listen to it. I don't care much about how complicated it is."

"My friends had experience with hifi. They gave us good advice. I looked all over town and compared prices when I was buying our system."

Non hifi owners are most likely to buy their system in a hifi specialty shop (38%), or an electronics specialty store (21%), such as Radio Shack, or a department store, according to *Merchandising's* Consumer Survey.

RKO CASSETTE DEALERS MAKE MONEY!

C60
C90
RKO ULTRACHROME
RKO BROADCAST I
ULTRACHROME C90
BROADCAST I C90
C45

Here's how *you* can, too!

The tried and true way to make more money is to buy for less and sell for more.

Trouble is, in the cassette business, most dealers pay just about the same for comparable brands.

What you need is a top-quality cassette that you can sell for a fair price and a fair profit . . . and that's so good it keeps your customers coming back for more.

What you need is the RKO line.

You won't find RKO cassettes just anywhere. We're now limiting our distribution only to high-quality audio specialists.

That's because we're offering a first-rate product line that won't play second fiddle to any other line – bar none.

There's RKO Ultrachrome, a second-generation, true chrome tape specifically formulated to give high output, low distortion, and low noise on a wide selection of typical cassette decks.

There's RKO Broadcast I (After all, we *are* the RKO Radio people.), a premium ferric that brings broadcast quality to the home recordist at consumer prices.

And there's RKO XD, our "workhorse" ferric (and your biggest potential for volume sales), with quality that's high enough to challenge premium ferrics and a price that's low enough to compete with garden-variety LN's.

So if you're tired of just breaking even (or worse) on your existing cassette lines, start making money. Start selling RKO.

RKO TAPE CORP.

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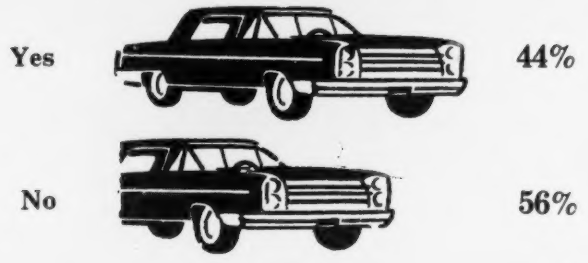
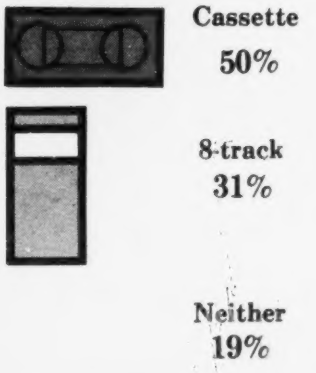
Car Stereo

Do you have a stereo system in your car?

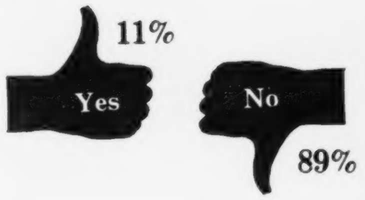


CAR STEREO OWNERS ONLY

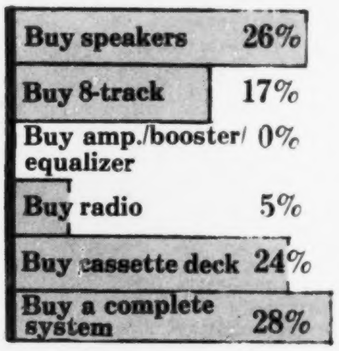
If yes, what does the system include?



Do you plan to upgrade or replace your car stereo system within the next six months?

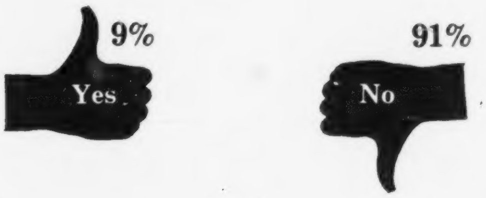


If yes, how would you do it?

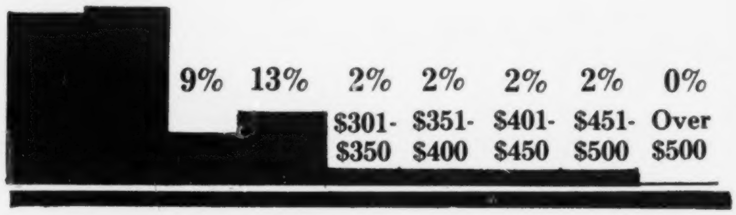


CAR STEREO NON-OWNERS ONLY

Are you considering buying a car stereo system within the next six months?



If yes, what would you expect to pay for a car stereo system?



Cassettes make music 'to drive by' for 50% of car stereo system owners

Almost half (44%) of the people interviewed have a stereo system in their car. Of these 50% indicated it was equipped with a cassette player.

Interst, or lack of interest, in a good sound system in cars ranged from one extreme to the other.

Some people said they spend a lot of time in their cars and wouldn't be without a radio or tape deck. Others said that music is very important to them—wherever they are.

Conversely, there were those who said they have cars with stereo systems—but didn't really care much about them one way or another.

"It came with the car," a Baltimore woman commented.

Several respondents noted they were shopping for a tape deck. Most, however, were in the market for a cassette unit. Variations of "I want cassettes because of their convenience compared to big 8-tracks and also because I can record on them," were heard across the country.

A few people said they would shop around for a "good, but cheap" 8-track model because they have an 8-track library they enjoy at home.

The tape feature seems to be growing in importance. As one young woman student, told us: "Our family has a stereo system in both cars, mostly for use by me and my brother. We use the tapes more than the radio."

About 11% of the people we interviewed said they plan to upgrade or replace their car stereos within the next six months. Of these, most (actually 26%) indicated they'll buy new speakers, although cassette decks were close behind (24%).

More importantly, 28% said they expect to purchase a completely new system.

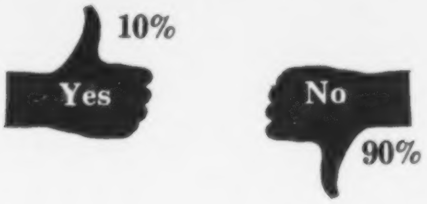
Among the non-owners, 9% said they were considering buying a car stereo system within the next six months. About 75% of these people indicated they don't expect to pay more than $200. Some 84% said they're not likely to spend more than $250, and none indicated they plan to spend over $500 for an autosound system.

In most cases, people who identified themselves as owning a good sound system at home, or who expressed an interest in music, said they either own a car stereo system and listen to it regularly, or are in the market for one.

As is usually the case with hifi, recent or would-be purchasers said they'll rely on a friend's recommendations when it comes time to make their purchase or will shop around for the best price for the system they want. In most cases, they'll look first at specialty stores "because they usually know what they're talking about," but price seems to top their priority list.

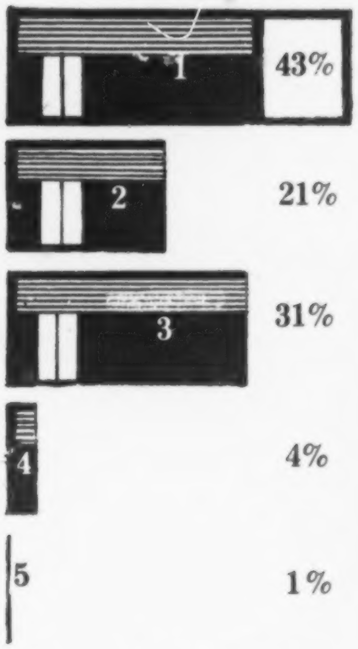
VCR

Do you own a videocassette recorder?

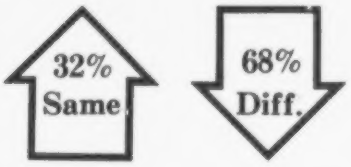


VIDEOCASSETTE OWNERS ONLY

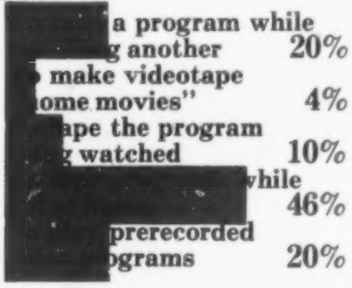
How many stores did you shop before making your purchase?



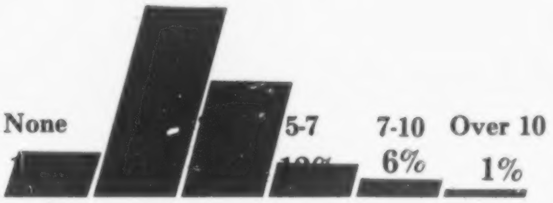
If you shopped more than one store, were they all the same type or different types (e.g., video store, dept. store, discount store, etc.)?



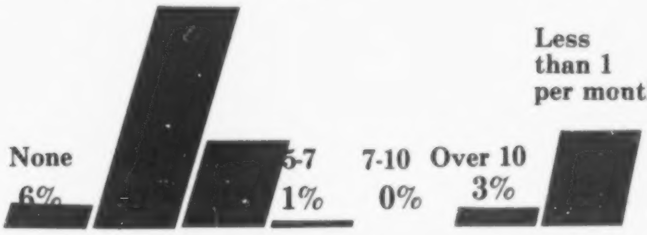
How do you use your VCR primarily?



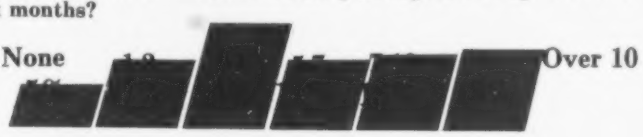
How many blank tapes did you buy initially (not including "free" as part of the sale)?



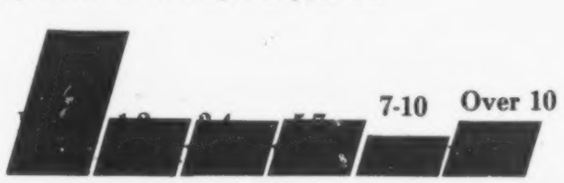
How many do you buy per month now?



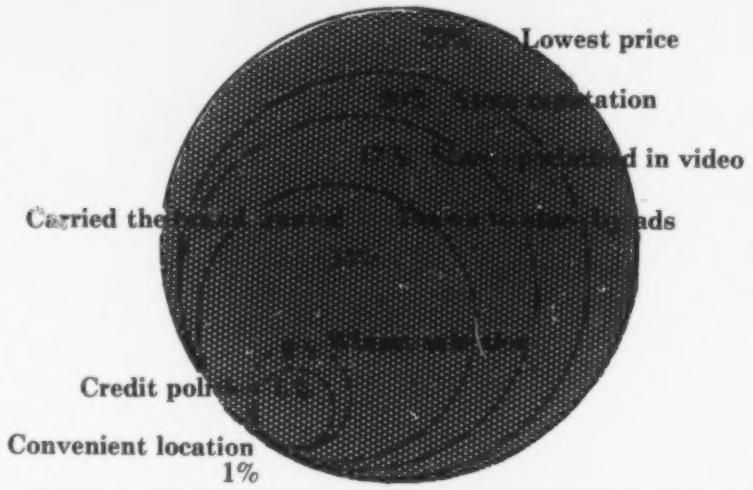
How many blank videocassettes would you expect to buy over the next six months?



How many prerecorded videotapes do you own?



What made you decide on the store where you made your purchase?



Assuming that the cost of renting a prerecorded videocassette is roughly ⅓ to ¼ the cost of purchasing a program or feature film on videotape, would you prefer to rent or buy?

High interest in VCR is obvious, but price is a deterent to many

Some 10% of the people interviewed for *Merchandising*'s Consumer Survey said they owned a videocassette recorder—a far higher percentage than the approximately 2% of the U.S. VCR ownership population.

And based on the quantity of blank and prerecorded tapes they're purchasing, their VCRs are getting a lot of play.

Among VCR owners, 46% said their primary use is taping programs while not at home. Twenty percent said they mainly use their VCR to tape a program while watching another show and another 20% indicated they spend most of their time viewing prerecorded programs.

They also buy a fair amount of tape. About 67% told our interviewers that they purchased from one to four blank video tapes (not including "free" tapes as part of the sale) initially, while 47% said they buy one or two tapes a month and another 21% said they pick up three or four cassettes per month.

Strong tape sales

Equally impressive, and certainly encouraging to industry suppliers and retailers, is the level at which these VCR owners plan to purchase blank videocassettes over the next six months. At least 36% said they expect to buy seven or more tapes during this period. Half of this group will buy 10 or more tapes over the next six months.

We also learned that at certain price points, a large percentage of VCR owners would just as soon rent as buy prerecorded videocassettes.

Most VCR owners were very fond of their systems.

A woman in High Point, NC, said that before owning a VCR, she and her husband would try to arrange their schedules around the tv programs they liked to watch. "We now find we record programs when we have to be away from home and enjoy them much more when we can view them whenever it suits us."

"I like the ability to tape while I'm at work," a woman in Lakewood, OH, told us. "I'm presently working in a hospital and I can't count on being home to see anything good."

One couple in Denton, TN, is making their portable VCR pay for itself, and then some. They videotape the exteriors and interiors of homes to authenticate insurance claims.

Price is too high

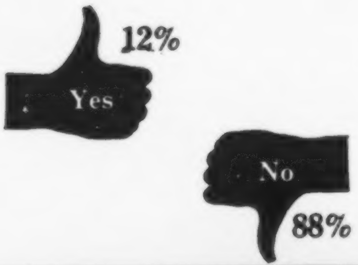
Among non-owners, quite a few people said they would run right out and buy a VCR if it weren't for the price.

"They're just too expensive," was a common comment—or complaint. One man told us, "I'll wait. I'm sure theyll come down in price just like calculators."

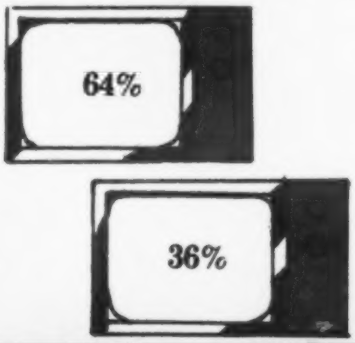
"I'd love to have one, so I could tape some of the movies I miss," a woman in South Euclid, OH, said. "Just can't afford it."

VCR NON-OWNERS ONLY

Are you considering purchasing a videocassette recorder within the next six months?



If yes, would you prefer a portable model or a table model?



On the negative side, a mother of four in Detroit, said: "We love tv, but how much of it can you watch. A VCR glues you to it."

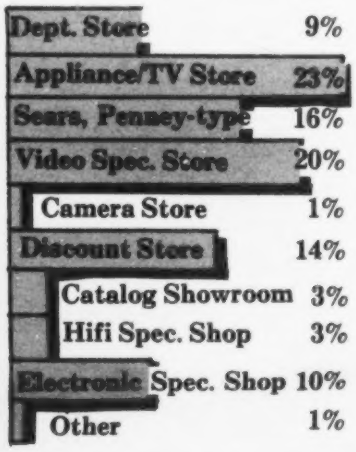
And a teacher, a man in his sixties, said: "Our tv watching has declined over the years as the programs got less and less meaningful and more and more juvenile, until these days the tv set is good for only an average of a couple hours a week. And we have no interest in recording anything with a video camera. We gave up home movie-making long ago."

Most other non-owners didn't feel that way at all. In fact, 46% said they would buy a video camera with their VCR.

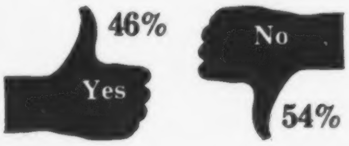
Twelve percent of the non-VCR owners interviewed said they're considering buying one within the next six months.

The greatest percentage (23%) expect to purchase a VCR at an appliance/tv store, 20% said they would go first to a video speciality store, 16% would buy from a Sears or J. C. Penney type outlet, and 14% indicated they would most likely visit a discount store to buy a VCR.

Where would you expect to purchase a videocassette recorder?



Would you buy a video camera with your VCR unit?



SUPER AVILYN CASSETTE
SA-X
TDK
Laboratory Standard Cassette Mechanism
HIGH RESOLUTION
METAL ALLOY CASSETTE
MA-R
HIGH COERCIVITY
Reference Standard Mechanism
C90

TDK takes high bias to new heights. And metal to greater lengths.

TDK has just added a new dimension to high bias. TDK SA-X. In one leap, it goes beyond any other high bias cassette. Further than the reference standard, TDK SA. Far enough to come close to metal sound. It's all made possible by TDK's newest technological breakthrough, an incredibly thin dual layer of Super Avilyn. SA-X has high frequency sensitivity 1.5 dB higher than SA. A maximum output level 1 dB higher throughout the frequency range. And the Laboratory Standard Mechanism, which lowers distortion to a minimum. Together they make SA-X the cassette that redefines high bias. And gives your perfectionist customers more sound from high bias than they've ever heard.

For your customers who demand nothing but pure metal, TDK introduces more of what they demand. Now the classic MA-R cassette comes in the popular ninety-minute length. TDK MA-R has delivered more since it was first introduced. The greatest output at high frequencies. The highest signal-to-noise ratio. The unique Reference Standard Mechanism. No other cassette ever delivered more. Until now. Now TDK has added more of the finest sound available today. In both high bias and metal, TDK brings your customers to new standards of perfection. Which will take your profits to new heights.

TDK.
The machine for your profit machine.

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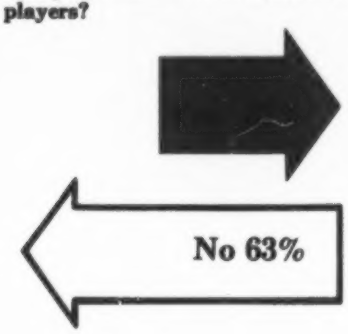
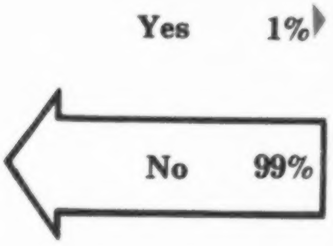
Videodisc

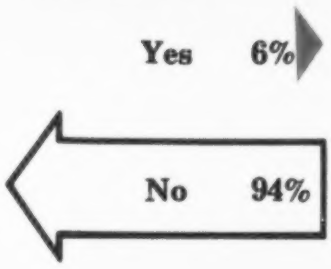
Are you familiar with videodisc players?



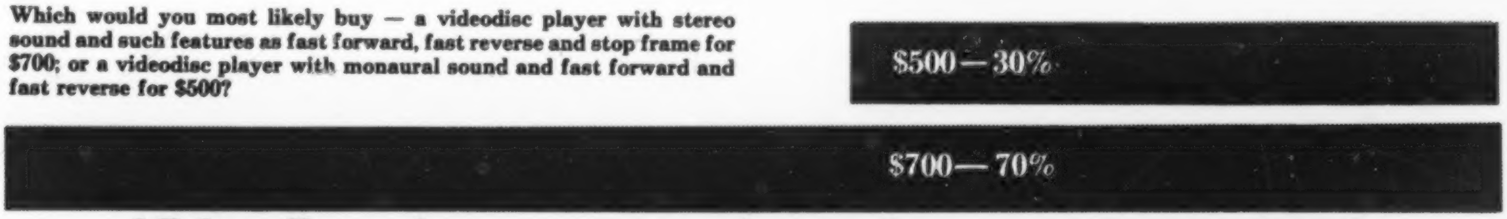
Do you own a videodisc player?



If no, would you expect to purchase a videodisc player within the next six months?



Which would you most likely buy — a videodisc player with stereo sound and such features as fast forward, fast reverse and stop frame for $700; or a videodisc player with monaural sound and fast forward and fast reverse for $500?



Videodisc player survey shows low awareness level

This is *Merchandising*'s 8th annual national Consumer Survey, but it's the first time we asked any questions about videodisc players, and for obvious reasons—the VDP's have been available for only a short time and were in just a few markets at the time this survey was conducted.

Therefore, it is surprising how many people interviewed said they were familiar with videodisc players and even more surprising was the number found in this random survey who said they actually owned one of the systems.

A 1% ownership of VDPs

Some 63% of the people we interviewed said they were not familiar with videodisc players. More interesting, perhaps, about 1% of the interviewees identified themselves as VDP owners.

Several people simply shrugged and gave the interviewer a blank stare when asked about videodiscs.

One graduate student called it a "gimmick" and said "it overlaps VCR too much."

Similarly, a magazine writer said, "There is no need for videodisc if you have VCR."

Most people who were familiar with both VCR and videodisc players liked the flexibility of the VCR.

"To the best of my knowledge," a teacher told us, "you lose the recording capability that you can get with a VCR. That is something I want to make sure I get."

However, there were those who said they don't like television, hardly ever watch it, and can't imagine anything worth taping to save or to watch at a later time or date.

Interested in first-run movies

What these people are interested in are first-run movies. They like the idea of owning a good movie—one they might want to see more than once or share with friends. To them, the videodisc player has some appeal and because of its function and price it is much more easily justifiable than the purchase of a VCR.

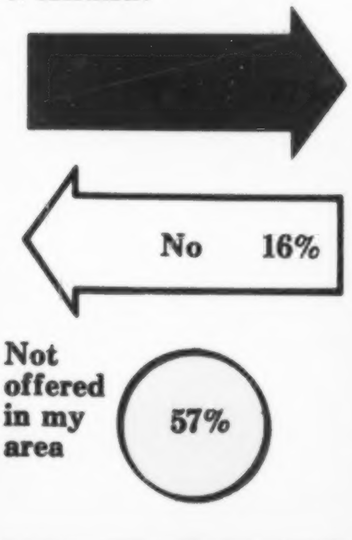
One of the most encouraging things we found is the interest in trade-up features. Some 70% of the people surveyed said they would opt for a $700 system over one priced at $500 if it had more features and stereo sound.

"If I were to buy one," a woman in her mid-fifties said, "I'd want the product with the most features, definitely!"

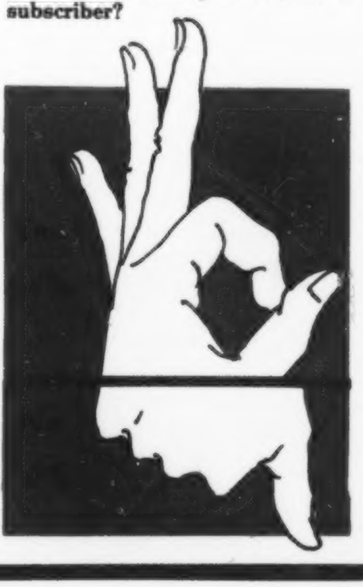
Suppliers and retailers will also be encouraged by the interest in purchasing a videodisc player. Some 6% of the non-owners said they expect to purchase a system within the next 12 months.

Cable TV

Are you a cable tv or subscription tv subscriber?



If cable or subscription tv were in your area would you become a subscriber?



For the first time in the annual Consumer Survey, questions were asked about cable and pay television.

Most of the people interviewed around the country said they weren't offered these services. But most of them made it clear that they would subscribe if and when it becomes available.

Cable, in particular, was of interest to many of the people interviewed, reflecting the interest and growth of this controversial entertainment and information medium.

This shouldn't surprise anyone. In the last year alone, the number of cable systems has grown by more than 100 to over 4,100. And the number of subscribers has climbed more than two million, to about 16 million homes.

Actually, 57% of the people we talked to said that cable tv wasn't available to them at the moment. Another 27% indicated they take the cable service while 16% noted that, while it was offered in their area, they weren't interested. More often than not, they either felt they couldn't afford it or didn't think they watched enough tv to warrant the investment.

"Cable television is not offered here," a recently married store manager in Honolulu told us. "Regular reception is so bad we would be glad to pay twice what people normally pay."

Another man, a retired ex-fireman living in Daytona Beach, FL, said: "As we spend much of our time watching tv—and that means well past midnight—we wish we could improve reception and add channels by cable tv. I'd pay quite a bit for cable tv."

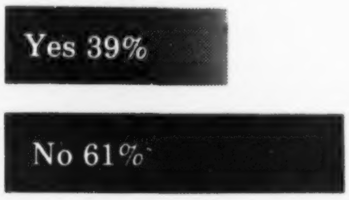
Electronic Games

Electronic games get big play at Christmas time

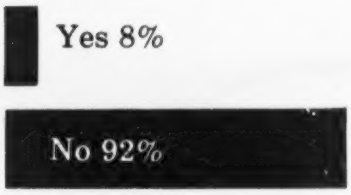
Everyone contacted in the survey was familar with electronic games, but only 39% said they or someone in their immediate family actually owned one or more.

Among those who don't own a game, about 8% said they expect someone in their family to purchase one within the next six months.

Do you or does anyone in your immediate family own an electronic (non-video) game?



If no, do you or does someone in your family expect to purchase one within the next six months?



Among the owners, most told us they enjoy the games, although several of the people we interviewed said they don't use them as much as when they were first purchased. A few people said they only bring them out when friends or children come to visit.

As might be expected, many of the games were purchased as gifts—usually for children—but some of the people we talked to said they're very much "into electronic gadgets" and bought the games for themselves.

A game for Christmas

Some who said they expect to buy an electronic game were even more specific, indicating they would probably buy one or more as Christmas gifts. A few told us they planned to buy games for their grandchildren because they asked for them.

One Baltimore woman commented, "My husband is crazy about electronics. He spends hours with the most complicated games I've ever seen. I hate them."

And a housewife in Seattle said: "We have a few of the electronic games and we enjoy them very much. It's a family event when we get them out. We all have a lot of fun together."

"Unfortunately," a California man noted, "they keep coming out with new games all the time. I'd like to have all of them."

Four for the fans...

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ACTIVISION CHECKERS
ACTIVISION BOXING
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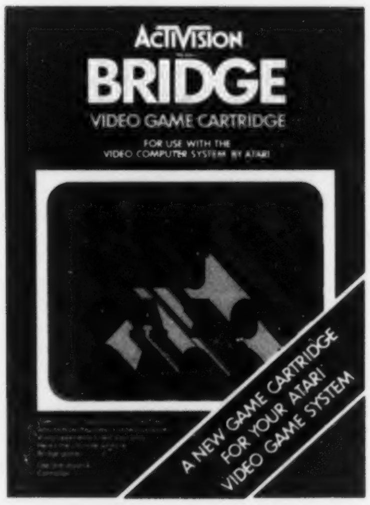
Order now for January 1981 delivery.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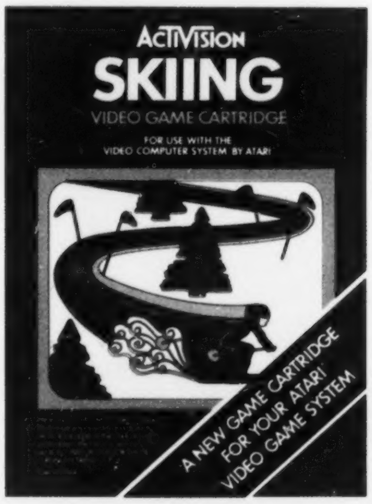
ACTIVISION
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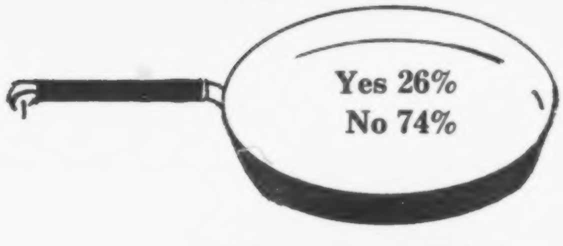
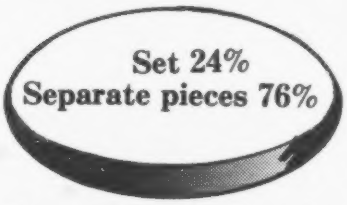
Cookware

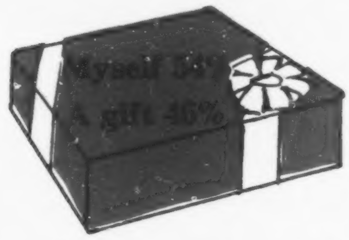
Do you plan to purchase any cookware within the next six months?



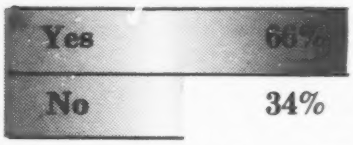
If yes, are you most likely to purchase a set or separate pieces for specific cooking needs?



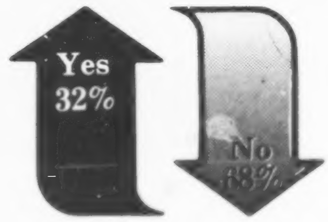
Was your last cookware purchase for yourself or a gift for someone?



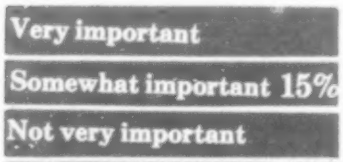
Are you familiar with non-stick SilverStone cookware coating?



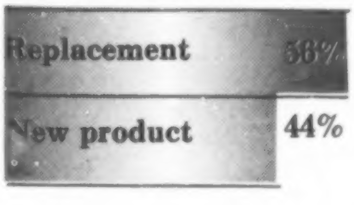
Do you own any cookware with SilverStone?



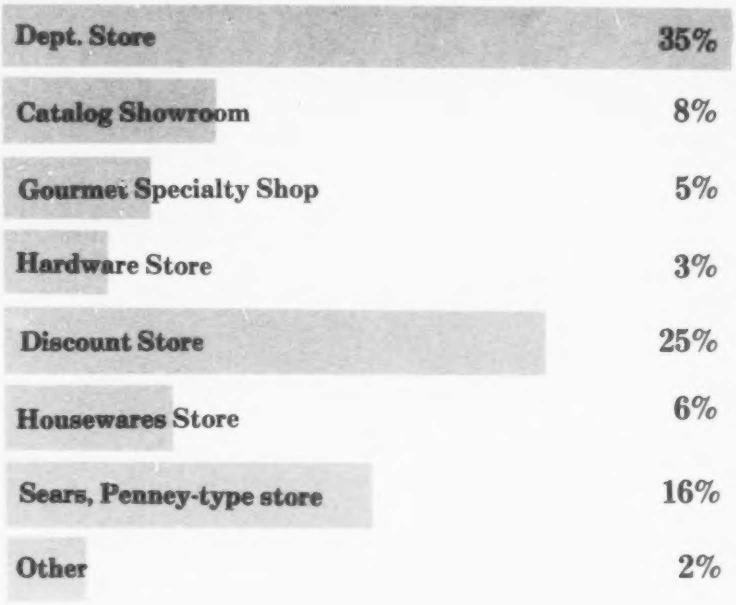
How important is the non-stick feature in cookware?



Is your next cookware purchase most likely to be a replacement or a totally new product?



In what type of store would you expect to make your next cookware purchase?



Consumers willing to buy cookware that makes sense

Among the things revealed from comments of people interviewed around the country is that most of them believe they have all the cookware they need . . . still they're open to new products that make sense to them.

Also, it's clear that many people are hoping to receive cookware as a Christmas gift or are planning to give it as a gift.

One young woman in Ohio, getting married next year, said: "I'll be getting a complete set, probably right after Christmas when the sales start."

At any rate, if this survey is any indication of the outlook for cookware sales, the industry is in pretty good shape. Some 26% of the people we interviewed said they plan to purchase cookware within the next six months. Of this group, 76% said they are *most likely* to purchase separate pieces rather than a complete set of cookware.

Big for gifts

Although people buy cookware for themselves, almost half (46%) of the more than 900 people interviewed said their most recent cookware purchase was for a gift.

Also, most are familiar with non-stick SilverStone coatings and a fair percentage (32%) own SilverStone cookware.

A South Glen Falls, NY, husband called SilverStone a "great time saver on cleaning up" and said he'll buy more cookware as Christmas gifts.

A Buffalo, NY mother called the non-stick feature very important "because even in my dishwashers the pans won't come clean unless you scrape them out first."

While the people claim they have all the cookware they need, several admitted they're open to impulse buys. "I seldom add anything unless something new comes on the market and it especially attracts me," a woman in New Orleans told us.

In fact, 56% of the people we talked to said their next cookware purchase would most likely be a replacement rather than a totally new product.

Non-stick gaining

The non-stick feature is obviously gaining in popularity from the comments we received.

"I don't like to cook and I hate to clean," a recently divorced laborer said. "So when I had to go out and buy pans I bought Teflon."

Most people said they expect to make their next cookware purchase in a department store, although discount stores weren't that far behind. Gourmet specialty shops didn't do too well, only 5% of those interviewed said they're likely to buy cookware at a specialty retailer.

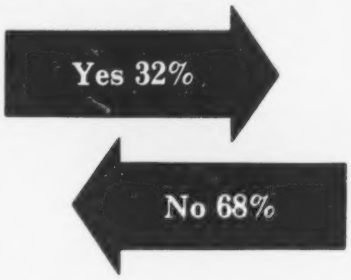
Despite the wide acceptance to date of non-stick formulations on cookware, there are still some holdouts. One Bronx, NY man in his mid-thirties, married and a lawyer, called non-stick cookware formulations "chemical BS."

Then there's the young mother in Allen, TN, who is very interested in quality cookware because she is still cooking with the odds and ends pieces she got when she was married—some of them gifts and some hand-me-downs from her mother and older sister. "I would really like to have a good set of pots and pans," she said. "I keep hinting for that at Christmas and on my birthday, but I keep getting things like nightgowns or a new screen door."

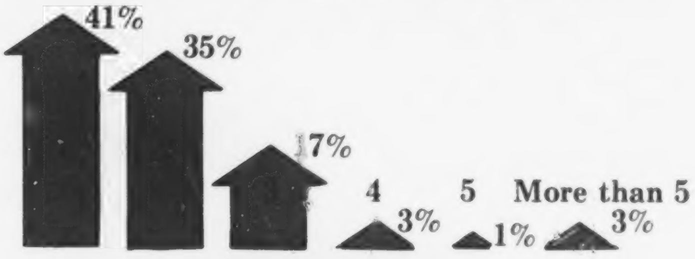
Food Processor

FOOD PROCESSOR OWNERS ONLY

Do you own a food processor?



How many stores did you shop before making your purchase?



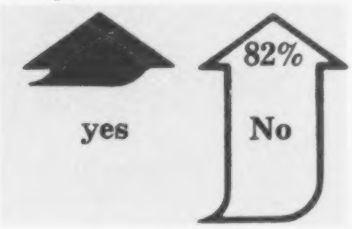
If you shopped more than one store, were the other stores all the same types or were they different types (e.g., gourmet shop, department store, discount store, etc.)

What made you decide on the store where you made your purchases?

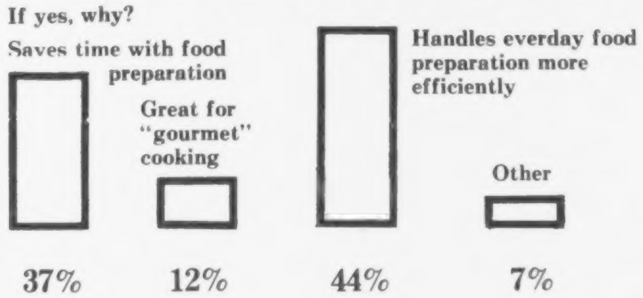
Lowest price	Convenient location	Carried brand wanted	Drawn to store by advertising	Widest selection	Store reputation	Good salesman
42%	10%	20%	7%	9%	8%	4%

FOOD PROCESSOR NON-OWNERS ONLY

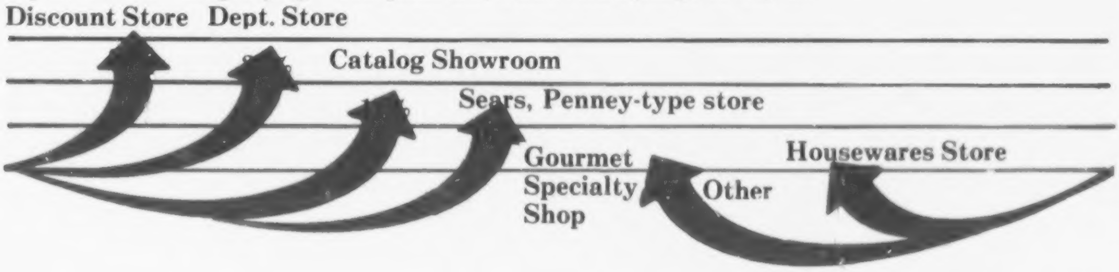
Are you considering buying a food processor?



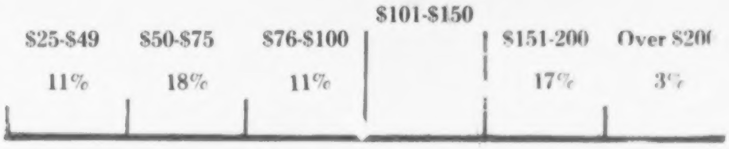
If yes, why?



If you are considering buying a food processor, where would you go to buy it?



What price would you expect to pay for a food processor?



Price - then brand - most important in 42% of food processor purchases

Thirty-two percent of the people we interviewed own a food processor, but they shopped around for it. Some went to two or more stores, as well as different types of stores before they bought—usually at the lowest price they could find.

Indeed, lowest price was by far the most important factor in their purchases; 42% said this was the reason they bought their food processor at that particular store. A distant second (20%) when we asked what made them decide on the store where they made their purchase was that the store carried the brand they wanted.

Among non-owners, 18% said they were considering the purchase of a food processor.

The biggest reason in interest, we found, is that it handles everyday food preparation more efficiently. Also, quite a few people said they wanted a food processor because it saves time in food preparation.

Surprisingly few believed food processors had anything to do with "gourmet" cooking.

"It doesn't process good," a Pittsburgh man in his late twenties told us, "it's just a glorified blender."

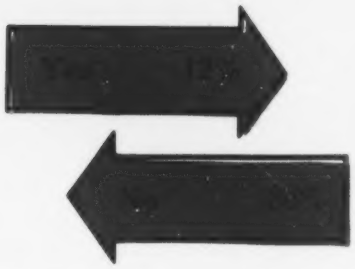
A single Philadelphia woman who said she liked to cook, also said she "wouldn't have a food processor. I think they're overrated. They might do a good job for the real specialty cook, but for the average person, they are much too expensive for what you'd get out of it."

And a young, single student said she didn't want one because she didn't want her food "processed."

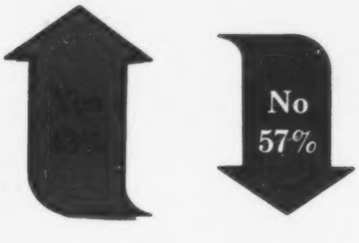
On the plus side, a retired school teacher said she likes to "do things by hand" since she only cooks for herself, although her food processor "does tend to speed things up."

Most of the people we interviewed expect to buy a food processor in a discount store (30%) or a discount store (28%). Catalog showrooms came in third (17%).

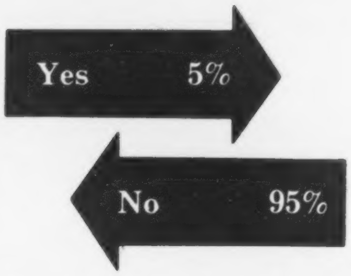
Convection Ovens



Do you own a convection oven?



If no, are you familiar with countertop convection ovens?



If yes, would you expect to purchase a countertop convection oven within the next six months?

Education needed to hype awareness of countertop units

Most of the people interviewed about countertop convection ovens didn't know anything, or at least not much, about them.

They usually had strong feelings about microwave ovens (see that section in this Consumer Survey report), but had little to say about convection models—even when they owned one.

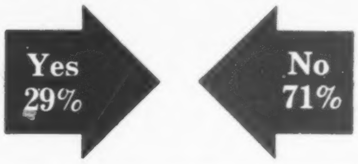
Interviewers didn't specifically ask about dual microwave/convection oven ownership. However, several people said they owned both or expect to own both types of ovens. And there was no particular order of purchase; some bought their microwave oven first, some the countertop convection first.

Interestingly, a few people said their original interest in owning a convection oven was tempered somewhat when they discovered that the major appliance company they had the most faith in did not produce a convection oven. In most of these cases, they said they would wait or do a little more homework before purchasing.

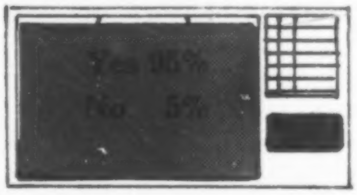
It's clear from this random survey that convection oven manufacturers have a ways to go before "convection" becomes a household word. Some 57% of the people we interviewed said they are *not familiar* with countertop convection ovens. Only 12% said they owned one, and among the 43% who indicated they were familiar with the ovens, only 5% said they expected to purchase one within the next six months.

Microwave Ovens

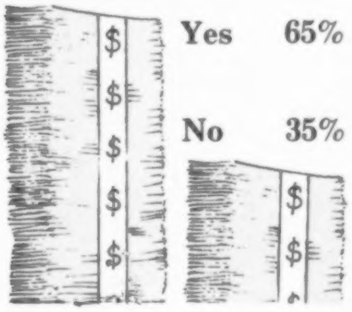
Do you own a microwave oven?



Are you familiar with cookware made especially for use in microwave ovens?

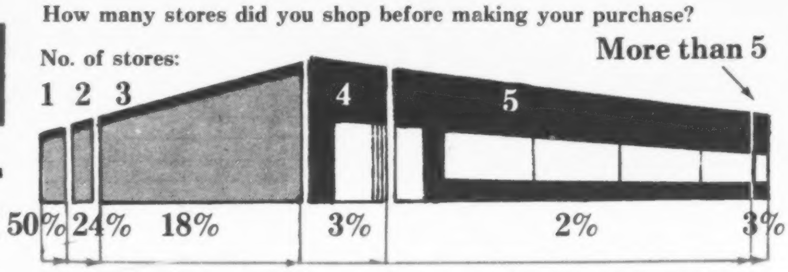


Did you buy microwave cookware (not included "free" with purchase) when you bought your microwave oven?

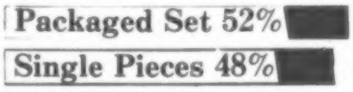


MICROWAVE OWNERS ONLY

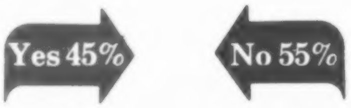
How many stores did you shop before making your purchase?



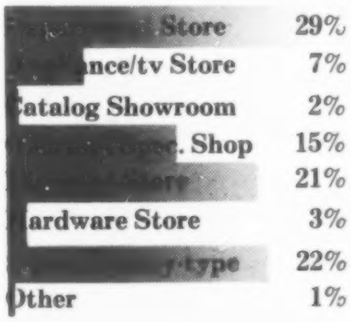
Was it a packaged set or single pieces?



Are you considering the purchase of additional microwave oven cookware?

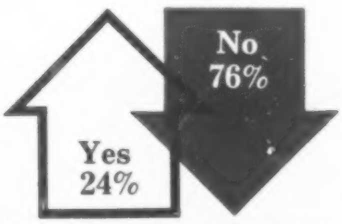


If yes, where would you expect to buy microwave oven cookware?



MICROWAVE NON-OWNERS ONLY

If you don't own a microwave oven, are you considering buying one?



If yes, which of the following are you most interested in?

A countertop microwave oven 78%

A single-cavity combo microwave oven and gas or electric range? 8%

A double-oven combo microwave oven and gas or electric range 14%

Microwave cooking hot but resistance remains

Twenty-nine percent of the people we selected randomly for interviews around the country said they owned a microwave oven.

Among the non-owners, 24% told us they are considering buying one.

It's clear from the comments we picked up that many people still consider microwave ovens to be dangerous to their health to some degree, although owners seem to be quite pleased with the product.

A laborer in upstate New York said, "We feel many of the cookware items we see are unnecessary, but we're very pleased with out microwave oven. It's the best damn thing we've bought in the last 20 years."

Commented a woman in Portland, OR: "I took two schools in microwave cooking and was very pleased with the results. I do a lot of cooking for guests and I use all the equipment I can for convenience. With the instruction I took, I now turn out microwave meals that are as good as my regular stove and oven will produce."

Those comments pretty well represent the favorable attitudes of the owners.

Some of the other remarks we got include the following:

"They're too expensive"

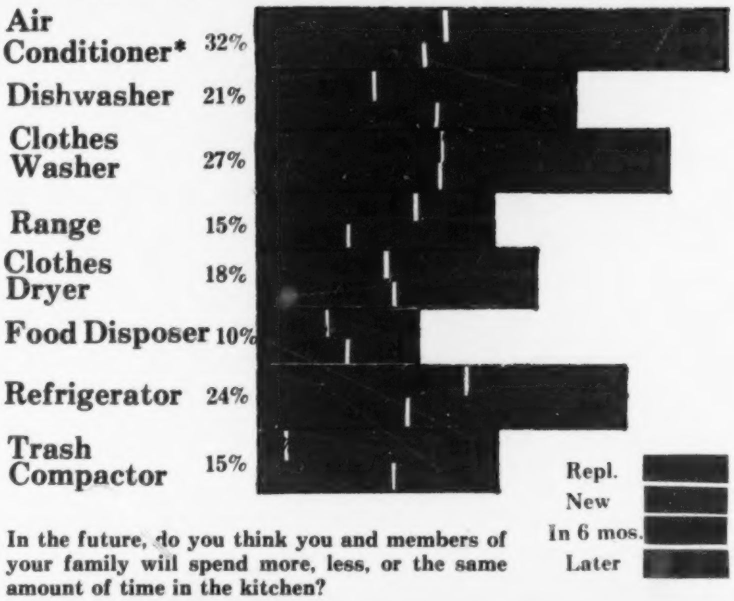
"I would like a microwave, but they are too expensive. I think they will probably manufacture cheaper ones in the future."

"I don't like microwave ovens. I don't like the flavor of foods cooked in microwaves. They're fast, but it's like eating plastic."

"My conventional oven suits me just fine. I don't think food is as tas-

Major Appliances

Which of the following major appliances are you planning to purchase, and under what circumstances? (See Code).



In the future, do you think you and members of your family will spend more, less, or the same amount of time in the kitchen?

**Adds to more than 100% because of multiple replies*

A/C most sought after major appliance product

In the major appliances area, this year's Consumer Survey focused on consumers' purchasing plans. What products are they most likely to buy over the next six months or so and will they be replacements or a first time purchase of the product?

Among the survey group, air conditioners turned out to be the most sought after appliance. This was followed by clothes dryers and then dishwashers.

Down the line, ranges and trash compactors showed up as the least likely next purchases. However, among the two, the vast majority of people indicating they planned to buy a trash compacter said it would be the first time they had purchased this product, an indication perhaps of the still fairly low saturation level of compactors.

In most cases, those who said they planned to purchase an appliance indicated they may not do so for at least six months or more. But there were exceptions; namely, dishwashers, food disposers and trash compactors.

Several of the people interviewed by *Merchandising* stressed their concern with energy issues and energy-efficient products, making the point in a number of instances that they didn't believe they should have to pay more for a product designed to save energy—that the manufacturer should constantly be striving to develop such products.

A shopkeeper in New Orleans, said: "In most cases these energy efficient products don't justify the added cost. An air conditioner costs $400. The energy efficient model of the same thing costs $650. By the time it saved more than $250 in utilities bills, it would probably be worn out."

A man who identified himself as a waiter and part-time insurance salesman, told us: "Energy efficiency is very important. However, I would not throw out good appliances to replace them with energy efficient ones. In time, the energy efficient ones will probably have better features and better prices."

Asked, if in the future, would they or members of their family spend more, less, or about the same amount of time in their kitchen, 17% said more, 21% said yes, and the majority, 62%, said about the same.

MICROWAVE OVENS

(Continued from page 32)

ty. It's too much like 'fast food' service and I don't eat that at home."

"My microwave oven came with my townhouse when I bought it or I probably wouldn't have one. But I must admit it does a great job of fast defrosting of foods."

"I don't have much interest in a microwave oven at the moment, but I have a growing file on the difficulties people have had with them. I keep this file because if we ever start to think about getting one, I want to reread this material again. My husband thinks we should get one now, but a friend told me it changes the taste of food."

Among the owners, at least half said they purchased their microwave at the first store they visited. Another 24% went to at least two stores.

Some 65% said they bought microwave cookware (not included "free" as part of the sale) when they purchased their microwave ovens, and 52% of this group noted that it was a packaged set of cookware, not single pieces.

Also, among the owners, 45% indicated that they were considering the purchase of additional microwave cookware.

Most microwave oven cookware was purchased in a department store, although Sears and J.C. Penny-type stores and discount stores ran a close second, 22% and 21% respectively.

Among non-owners, the vast majority of those interviewed who expressed interest in owning a microwave oven, indicated they would most likely buy a countertop model.

Credit Card Use

See less use of credit and far fewer purchases

Almost half of the people interviewed around the country by *Merchandising* correspondents said they planned to make less use of their credit cards in the next six months. Very few, actually only 7%, indicated they expected to use their credit cards more than they have in the past.

"I don't want any new credit cards," a woman in Philadelphia said. She's just getting into the real estate business. "Giving up credit cards is like a 15% raise in your income."

"I don't use credit cards a whole lot because my husband won't let me," a woman in Buffalo, NY, commented. "I don't imagine I'll be using one much unless he gets a heck of a big raise."

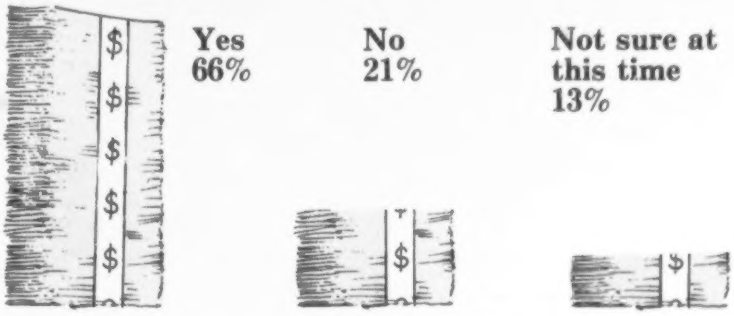
A young music student said he would only use his credit card in emergencies, or when he saw something he just had to have.

Significantly, 66% of those who said they'll be cutting back on their use of credit cards, also said they expect to cut back overall on their purchases in the next six months.

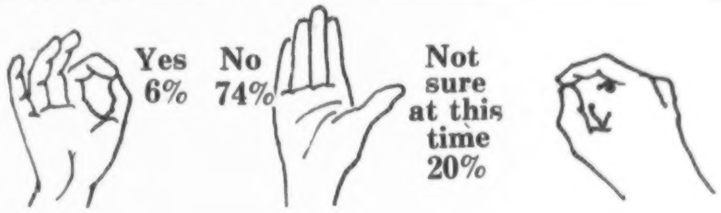
Only 6% said they expected to open a new charge account in the next six months, compared with 74% who said they won't open a new credit account.

Do you plan to use your credit cards in the next six months more or less than you have in the past six months?

If less, does that mean you expect to cut back overall on purchases in the next 6 months?



Do you expect to open any new charge accounts in the next six months?



Replacement Plans

Color tv and vacs get nod in replacements

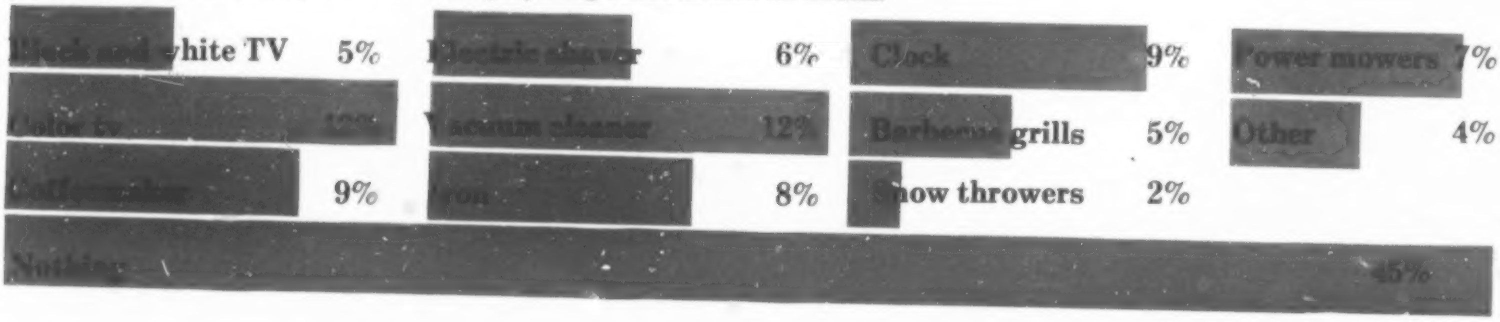
As just another indication that many people plan to play it tight in terms of spending over the next six months—at least in terms of some product categories—fully 45% of those interviewed said they're not likely to replace any of the items we specifically asked about.

By some of the comments picked up by interviewers, it seems that people are more likely to attempt to repair a product before running out to replace it. The do-it-yourself mode seems to be in fairly high gear at the moment.

At any rate, color tv sets and vacuum cleaners were mentioned most often as likely replacement possibilities over the next six months. Coffeemakers and clocks weren't far behind.

Similar results were recorded in last year's Consumer Survey when color tv came out on top and vacuum cleaners ran a close second. Last year, however, only 39% said they didn't plan to replace anything versus this year's 45%.

Check those products which you are considering replacing within the next six months:



Energy Efficiency

Consumer frustrations grow with energy costs

There's one area that just about everyone wanted to talk about at some length and that's energy efficiency.

Basically, many people seemed frustrated by rising utility costs at a time when they thought they were working hard to do their bit. Some complained that while they were working hard to hold down energy costs they didn't think others were doing much.

Several people also complained about manufacturers—they didn't believe they should be charged a premium for an energy efficient product—and that manufacturers should be making appliances that use less energy as part of the normal product development process.

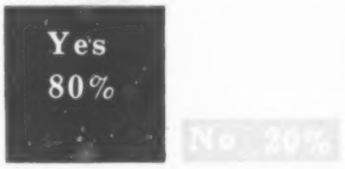
However, consumer awareness that efforts are underway to develop energy efficient products by manufacturers of household appliances was high, actually 80% in our survey.

Only 52% said they thought energy efficiency was "very" important, while 37% called it "moderately" important. But 67% indicated they would be willing to pay a higher price for a more energy-efficient product. But they didn't say how much more.

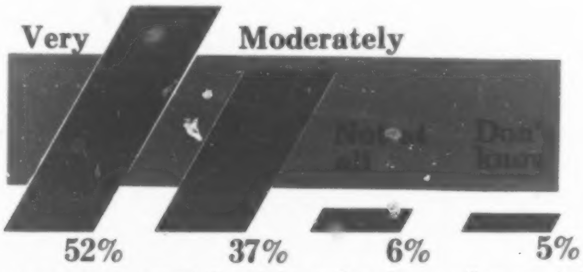
Also, more people said they would opt for a high efficiency appliance with fewer features over one with lower efficiency but more wanted features.

The one common thread of frustration came through in the comment of one young housewife who said: "Our energy bills are unbelievable and they keep climbing. We're really exasperated—trying to save money by staying home, but then finding that energy expenses just for staying comfortable at home become unbelievable."

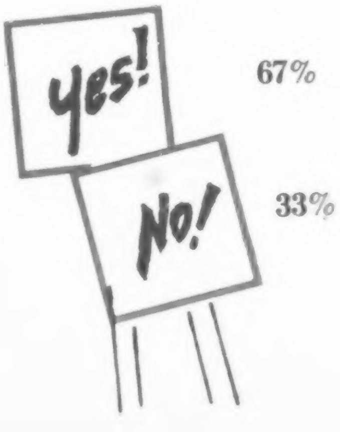
Do you know that manufacturers of many household appliances are now making models that use less energy (electricity or gas), that is, are more energy-efficient than other models?



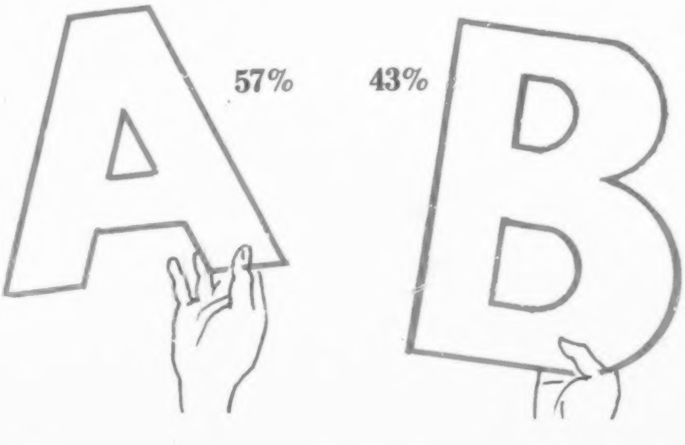
How important is energy efficiency to you?



Would you be willing to pay a higher price for a more energy-efficient product?



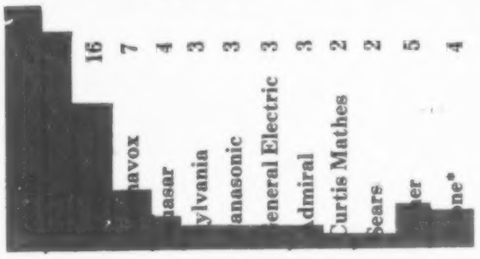
If Brand A has high efficiency but fewer other wanted features, and Brand B has lower efficiency but more other wanted features, which would you select?

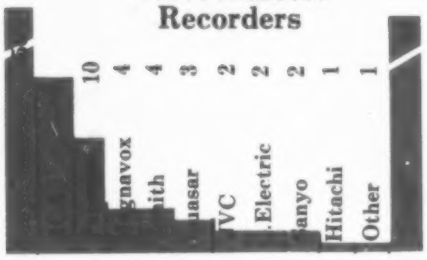


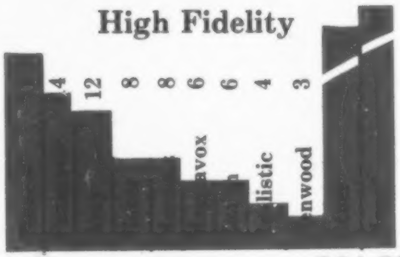
Brand Identification

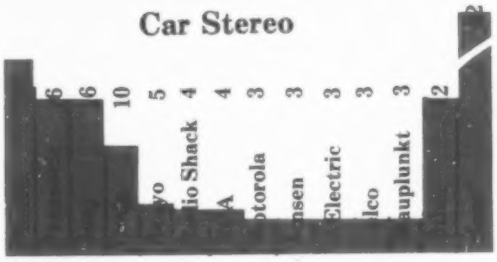
*This figure represents that percentage of the 936 consumers interviewed who could not name a brand at all or who gave an incorrect name. All other figures in these charts represent the breakdown of brand names from those consumers who could respond to these questions.

ELECTRONICS

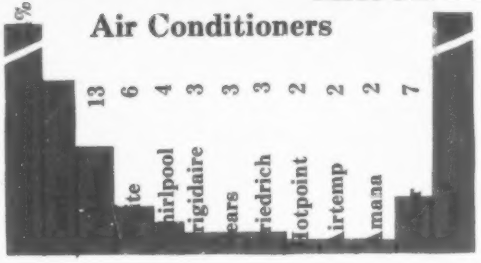

Color TV

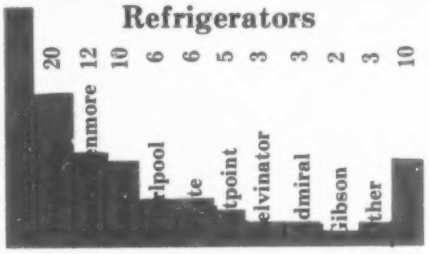

Videocassette Recorders

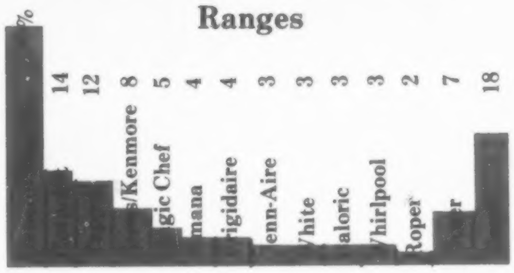

High Fidelity

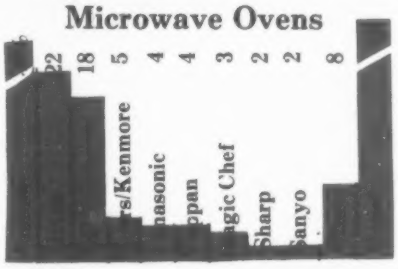

Car Stereo

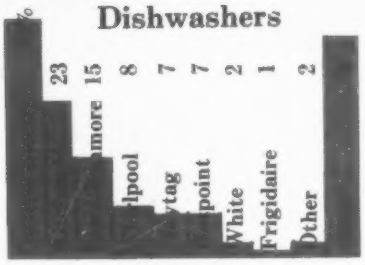
MAJOR APPLIANCES

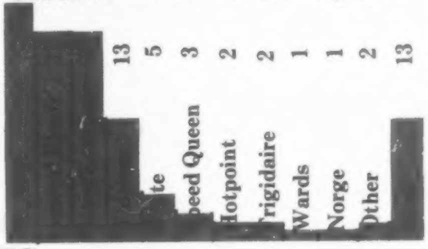

Air Conditioners


Refrigerators

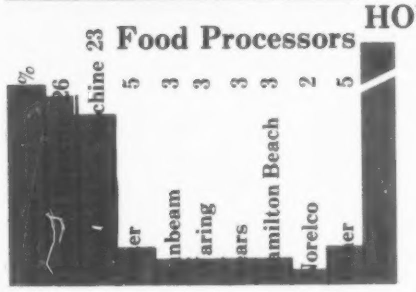

Ranges

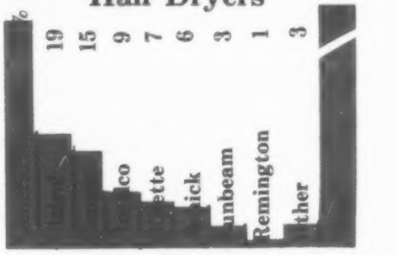

Microwave Ovens

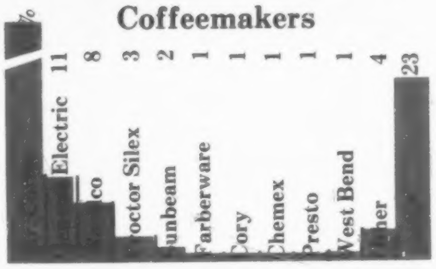

Dishwashers

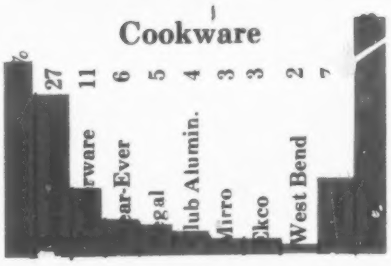

Clothes Washers & Dryers

HOUSEWARES


Food Processors


Hair Dryers


Coffeemakers


Cookware

What's in a name? It depends who you ask

Brand name and brand identification are at the very core of the competition among manufacturers to attract consumers to their products.

What brand color television set comes to mind first? Hifi? Air conditioner? Refrigerator? Food processor? Hair dryer?

Consumers were asked about these and several other electronic, housewares and major appliance products. If there are any surprises in the results, they may be in the high percentage of people who couldn't think of a single brand name when asked about some fairly common products.

We also interviewed people who identified certain easily recognizeable companies with products they don't actually manufacture or market.

A Xerox color tv

Someone said: Xerox when we asked him to name a color tv brand. Another person mentioned "RCA" when we requested the name of a refrigerator brand that first comes to mind.

In some instances, consumers got the supplier's name correct, but knew the brand under different names. For example, in refrigerators, the Sears brand was mentioned under its corporate name, Kenmore and Coldspot. Similarly, in videocassette recorders, most people said Sony when asked what brand VCR came to mind first, but some said Betamax. And in hifi, Panasonic was mentioned more often than Technics, which is the actual brand name under which Panasonic markets its hifi componentry.

'No-fi' companies

Although a few of the companies in the hifi listing aren't actually recognized as manufacturers of component hifi, such as Magnavox and Zenith, we thought it was instructive to industry marketers that so many people identified these companies with hifi and decided to leave their names in the listing.

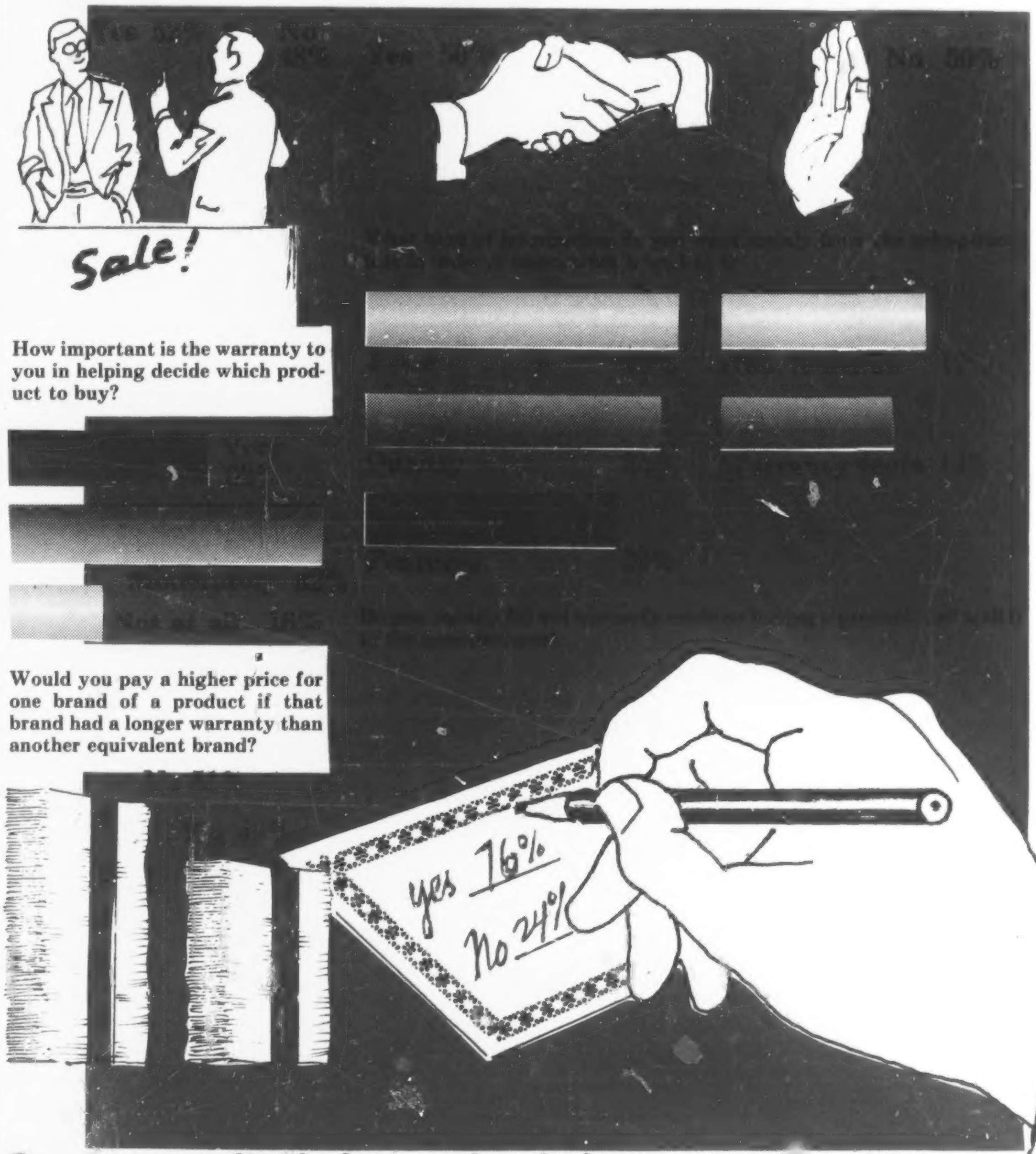
It may be difficlt to accept as a general rule, but most household products, such as major appliances and housewares items (namely, kitchen electrics and personal care), seem to have the highest number of "nones," in that a high percent of the consumers interviewed couldn't come up with a brand name.

This also seemed to be true with consumer electronics, but with one exception: color television, indicating perhaps that both men and women are more involved in the purchase decision of this product.

Information

When you go into a store to shop, do you usually believe what the salesperson tells you?

Of any of the products we have been discussing, would you buy a brand or model different than the one you were originally looking for if the salesperson recommended it?



How important is the warranty to you in helping decide which product to buy?

Would you pay a higher price for one brand of a product if that brand had a longer warranty than another equivalent brand?

Consumers divided on sales help; have reservations on warranties

Just over half of the 936 people interviewed around the country by *Merchandising* said they usually believe what salespeople tell them.

As far as consumer electronics, housewares and major appliance products, would any of these people buy a brand or model different than the one they were originally looking for if the salesperson recommended it? Half said yes and half said no.

"I talk to a friend who owns an appliance shop and I talk to my wife," one man told us. "By the time we go out, we know already what we'll pay. So salesmen don't mean much."

A young male student said: "The types of stores I go into have—or I expect them to have—salespersons that have expertise in knowing quality and the performance of an item.'

From another man in the Midwest: "Most salesmen think they are slick and can tell you anything and you are supposed to sop it up. The hell with that."

An interior designer from California said she depends on salespeople to introduce her to new things.

But an Atlanta laborer noted: "They change salespeople so frequently how would you know whether to take their recommendation on a product?"

Price and quality first

Consumers also made it clear that they are most interested in two things when they talk to salespeople —price and quality. Features are a little less important.

Just over half said warranties are only "moderately" important to them, but they had a lot to say about warranties, too.

"I expect the product to work," one man commented. "I don't believe in warranties. It takes too long and cost too much money to get something replaced."

A woman in Tennessee said she likes warranties because they tell her someone is behind the product.

Several people said they only concern themselves about warranties on "major' products, such as a color tv set or a major appliance.

And many of the interviewees seemed very aware of the value of the warranty card to manufacturers as a market research tool.

Opinions as to whether it made sense to pay a higher price for one brand of a product if that brand had a longer warranty than another brand were about equally divided.

Still, despite some concern about the value of warranties, most (76%) said they usually fill out the cards when they buy a product and mail them to manufacturers.

Prerecorded Videocassette Report

Record stores expand previd selections; boost number of outlets carrying video

Hikes of more than 50% in prerecorded videocassette sales are convincing record retailers to increase not only the number of titles they carry, but the number of outlets they sell them in.

Many record store owners and operators see audio and video walking hand in hand along the entertainment path. As a result, prerecorded videocassettes, blank videotape and even videodiscs are finding their way into record stores in impessive numbers.

John Schairer, general manager at Tower Records, Sacramento, CA, pointed out, all the video formats will have a tremendous impact on the record industry in the 1980's. "It's (video) going to be such an important part of this decade. It will change people's entertainment habits," he said. As video technology improves and becomes less expensive, more and more people will see it as a legitimate source of entertainment and not merely a novelty, Schairer added.

In line with the fourth quarter marketing push of video hardware and consumer awareness and acceptance of the category, Schairer said Tower Records was increasing the number of stores stocking prerecorded videocassettes. Six stores had been carrying them. That number has jumped to 12.

Tower Records is not alone. According to Bob Tolifson, vice president, marketing, Record Factory, Brisbane, CA, six stores out of 25 are now carrying videocassettes for the first time. "We've tried it because of all the hoopla about how lucrative it will be to sell video software through record stores."

Waiting for the disc

A Southern California-based retailer told *Merchandising* the number of stores in his chain selling videocassettes recently jumped from four to eight. "We're convinced that video is going to have a major impact on everybody's future," the chain's general manager said. "We're anxious to do as much as we can with video. We're waiting for disc. We're waiting for video projection to catch on as well. As they do we're in the perfect position to sell the software that goes with it."

Pacific Stereo (Emeryville, CA), has begun to stock videodisc software in its stores. Bob Gilbert, vice president, finance and entertainment, said audio and video entertainment will be tied into one another. "Home entertainment will take place in 'entertainment complexes'. Perhaps there will be a media room in everyone's home. Certainly, high quality sound systems will be amplifying the audio from cassettes and discs."

"It's partially for that reason that Pacific Stereo is stocking the Pioneer LaserDisc hardware and software in some of its stores.

Front-line movies are the bread and butter of the videocassette software market. They are often used as an effective means of promoting other titles or even products.

Big "10" promotion

"When '10' came out we used it to highlight and promote the entire Warner's catalog," Schairer said.

The availability of front-line films is often the key to the success of a prerecorded videocassette sales program. "When '10' came out everyone jumped on it," Record World's Tolifson said. "Then, it slacked off a bit. The same thing happened when 'Superman' hit the market, and when other big movies became available. People want top films and they are often willing to sit around and wait until one comes out."

As store executives decide to stock more outlets with prerecorded videocassettes, the type of programming begins to change. The X-rated film loses much of its importance and the family-oriented programs emerge. "I think a lot of people are put off by the porn stuff," Tolifson said. "We don't make it a point to carry it. We're looking to build a middle-class clientele and they're more interested in regular movies.

"Sure, we'll carry 'Deep Throat' and 'Behind the Green Door' when it's asked for," he continued. "We'll also carry Charley Chaplin or boxing 'grudge' matches when they're asked for. The point is, X-rated is no longer an important part of this business. It's a real fringe thing now."

Low key on X titles

John Schairer said Tower Records carries some X-rated titles but neither stresses them nor gives them any special merchandising help.

The Southern California retailer said that although most people want to have one or two titles in their collection that are X-rated, it's not a category that sustains business. "People grow tired of them and they turn their attention to high quality, mass market films," he said.

The question of how to best display prerecorded videocassettes remains unanswered for many. The high retail price and small product size makes some retailers wary about displaying them on the selling floor. A large number of stores continue to stock them in glass cases or near the register.

Some retailers are unsure where to display the item. "We want to give them (videocassettes) more space but we don't know what to do with them," Schairer said. "We have them now on a rack seven feet high and six feet wide behind the cash register. We're not sure we wouldn't do better with them on the floor."

Pacific Stereo's Bob Gilbert said 20% of store space devoted to video products will likely generate a disproportionately high percentage of total store volume.

Most retailers carrying prerecorded videocassettes use newspapers as their primary advertising tool. While co-op money is generally available from vendors, retailers prefer to design their own ads. "We do mostly our own ads. We don't want to become a manufacturer's representative," Bob Gilbert said.

Some retailers are still wary of the high inventory cost of prerecorded cassettes. In many cases, that wariness had convinced them to up the number of stores selling a smaller number of titles rather than increase the number of titles. "We carry 30 titles and that cost us $18,000," Bob Tolifson said. "We'd love to have 60. If we see things taking off perhaps we will."

For Tolifson, taking off would mean one turn per title every 60 days.

While they operate record stores, none of the executives said they were selling a large amount of concert programming. "We get a number of requests for concert films and videotapes, but no more than for regular films," a California retailer said.

"We don't try to go out and bring in the concerts at the expense of the films," Schairer added. "Films just happen to sell better."

--Joe Allen

Merchandising's TOP 50

	Last month's position	Months on chart
1. **Alien** *(Magnetic Video)**	1	3
2. **Superman** (Warner Home Video)	3	8
3. **"10"** *(Warner Home Video)*	2	5
4. **The Muppet Movie** (Magnetic Video)	4	4
5. **Animal House** *(MCA Distributing)*	5	4
6. **M*A*S*H** *(Magnetic Video)*	22	24
7. **Halloween** *(Media Home Entertainment)*	21	5
8. **Enter the Dragon** *(Warner Home Video)*	6	6
9. **The Deer Hunter** *MCA Distributing)*	19	4
10. **The Boys from Brazil** *(Magnetic Video)*	15	2
11. **Saturday Night Fever** *(Paramount Home Video)*	17	15
12. **The Godfather** *(Paramount Home Video)*	8	15
13. **Smokey and the Bandit** *(MCA Distributing)*	20	4
14. **The Rose** *(Magnetic Video)*	N	1
15. **A Star is Born** *(Warner Home Video)*	7	3
16. **Grease** *(Paramount Home Video)*	9	7
17. **The Sound of Music** *(Magnetic Video)*	23	19
18. **The Godfather II** *(Paramount Home Video)*	16	12
19. **Jaws** *(MCA Distributing)*	13	4
20. **Blazing Saddles** *(Warner Home Video)*	12	7
21. **Emmanuelle** *(Columbia Pictures Home Entertainment)*	10	5
22. **Norma Rae** *(Magnetic Video)*	11	4
23. **Electric Horseman** *(MCA Distributing)*	14	3
24. **The Jerk** *(MCA Distributing)*	18	3
25. **North Dallas 40** *(Paramount Home Video)*	N	1
26. **"1941"** *(MCA Distributing)*	24	3
27. **Silver Streak** *(Magnetic Video)*	26	7
28. **The Graduate** *(Magnetic Video)*	34	21
29. **Patton** *(Magnetic Video)*	31	24
30. **The Omen** *(Magnetic Video)*	35	5
31. **The In-Laws** *(Warner Home Video)*	27	6
32. **Hooper** *(Warner Home Video)*	30	6
33. **Escape from Alcatraz** *(Paramount Home Video)*	N	1
34. **Life of Brian** *(Warner Home Video)*	N	1
35. **Butch Cassidy & the Sundance Kid** *(Magnetic Video)*	42	12
36. **Dirty Harry** *(Warner Home Video)*	37	7
37. **Tora! Tora! Tora!** *(Magnetic Video)*	45	24
38. **The Adventures of Sherlock Homes' Smarter Brother** *(Magnetic Video)*	N	38
39. **All the President's Men** *(Warner Home Video)*	33	6
40. **Oh God!** *(Warner Home Video)*	40	6
41. **Return of the Dragon** *(Video Gems)*	N	1
42. **The Exorcist** *(Warner Home Video)*	29	7
43. **The Wild Bunch** *(Warner Home Video)*	41	5
44. **Hello Dolly** (Magnetic Video)	44	23
45. **The Onion Field** *(Magnetic Video)*	N	1
46. **Midnight Express** *(Columbia Pictures Home Entertainment)*	25	5
47. **Barbarella** *(Paramount Home Video)*	38	12
48. **The French Connection** *(Magnetic Video)*	46	24
49. **Heaven Can Wait** *(Paramount Home Video)*	28	7
50. **Foul Play** *(Paramount Home Video)*	32	7

**Companies in parentheses are distributors*
Survey is based on retail sales